

Frequently Asked Questions on MSME Schemes

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Frequently Asked Questions (FAQ) on MSME Scheme “Union MSME Suvidha”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union MSME Suvidha?	<p>a. All units engaged in the Manufacturing/ Services/ Trading activity, eligible to be classified under MSME.</p> <p>b. Existing and new units are eligible under the scheme. However, exposure to newly established unit under Trading / Services segment having less than 1 year of operation and no Audited Financials will be restricted up to Rs.10 Crore only. For proposals with Exposure above Rs 10.00 crore under Trading / Services segment the sanctioning authority shall be one step higher up to RLCC.</p> <p>c. MSME units irrespective of constitution i.e. Individuals, Proprietorship, HUF, Partnership Concern (including LLP), Limited Companies, Society, Trust, Association.</p> <p>d. In case of Individual / Proprietorship, entry age is restricted up to 70 years (Age at the time of Sanction). In case the age of individual/ proprietor is above 70 years, the age of Legal heir(s) to be restricted to 70 years. Necessary documents for ascertaining legal heir be held on record. <u>Exception:</u> Spouse of Proprietor / individual, subject to execution of relinquishment deed.</p> <p>e. Enterprises engaged in Speculative Activities/ Real Estate activities are not eligible for finance under this scheme.</p> <p>f. Credit rating of the account should be between CR-1 to CR-4 to remain eligible under the scheme. However exposures with CR-5 rating can be considered by next higher authority.</p> <p>g. In case of Takeover, Existing &amp; New Accounts, an undertaking to be obtained from borrower/ firm stating that the Unit will not avail credit facilities further from any Bank/ FI in future years, unless NOC is obtained from sanctioning authority.</p> <p>h. Unit should have all the statutory approvals / NOCs from the respective departments / regulators / authorities etc as applicable.</p> <p>i. Unit to avail loan under Sole Banking arrangement (Except Retail loans), however exception to be given to those borrowers availing credit facilities under Channel financing from other Bank/FI (wherein our Bank doesn't have tie-up arrangement with OEM) / Equipment Finance/ Loan Against Property (LAP)/ Commercial Vehicle loan for existing business purpose.</p> <p>j. In lieu of fixed immovable Securities viz. land and building, liquid securities like bank's own Deposit, LIC policies, investment in eligible Mutual Funds, etc are permissible for this scheme. Life Insurance Policy shall be accepted for security coverage subject to compliance of guidelines as enumerated in extant Credit Risk Mitigation Techniques and Collateral Management Policy.</p> <p>k. In case External Rating eligible accounts are not rated (unrated) at the time of review/ renewal no enhancement shall be permitted.</p> <p>l. Opening/ maintaining of current account with other bank shall not be allowed under the scheme.</p>
2	What type of facilities can be sanctioned under the Scheme?	<p>Term Loan and / or Working Capital (Fund Based and Non-Fund Based)</p> <p>Non fund based limits towards procurement of raw material must be included under MPBF.</p>
3	What is the quantum of finance under Union MSME Suvidha?	<p>Min: Above Rs.10 Lakh &amp; Max: Up to Rs.50 Crore with TL restricted upto Rs. 10.00 crores in case of Trade accounts. Also, exposure below Rs. 10.00 lakhs sanctioned previously may be continued till the closure of limit / loan. The scheme is for the purpose of</p> <p>a. To meet need based working capital (Fund Based &amp; Non-Fund Based) requirement for Business Activity.</p> <p>b. Term Loan for own business use, which is detailed as under:</p> <ul style="list-style-type: none"> <li>✓ Purchase/ Construction / Renovation of Business Premises, Factory / Offices / Shop / Godown / Plant &amp; Machinery / Equipment etc for business activities are eligible.</li> <li>✓ Purchase of equipment like Computers, air-conditioner, furniture &amp;</li> </ul>

		fixtures and other fixed assets like commercial vehicles for business. Any other purpose whereby asset is created out of Bank's finance for the purpose of running the business.						
4	What is the margin requirement under this Scheme?	<table border="1"> <tr> <td>FBWC</td> <td>20% [Stock (excluding dead stock) &amp; book debts aged up to 90 days]</td> </tr> <tr> <td>NFBWC</td> <td>25%</td> </tr> <tr> <td>Term Loan</td> <td>Plant &amp; Machinery / Equipment: 25% Land &amp; Building/ Building/ Others : 35%</td> </tr> </table>	FBWC	20% [Stock (excluding dead stock) & book debts aged up to 90 days]	NFBWC	25%	Term Loan	Plant & Machinery / Equipment: 25% Land & Building/ Building/ Others : 35%
FBWC	20% [Stock (excluding dead stock) & book debts aged up to 90 days]							
NFBWC	25%							
Term Loan	Plant & Machinery / Equipment: 25% Land & Building/ Building/ Others : 35%							
5	Interest Rates & Other Charges							
	Rate of Interest	As per the extant guidelines.						
	Processing Charges	As applicable.						
	Documentation Charges	As applicable.						
	Other Service Charges	As applicable.						
6	Whether the proposal is to be rated as per credit rating norms?	As per extant guidelines.						
7	Security							
	Primary Security:	All assets created out of Bank's finance shall be charged in favour of Bank by way of Hypothecation/ Mortgage etc.						
	Collateral Security:	<p><b>Security Coverage :</b></p> <ol style="list-style-type: none"> <li><b>Minimum: 75%</b> of the loan amount by way of immovable properties (Land and Building) and / or other liquid assets like NSCs /KVPs/ Deposits/assignment of LIC policies/other Govt. Securities can only be considered for security coverage.</li> <li>Spill over of collateral from existing primary security of term loan under any schematic or non schematic loan after deducting 133% of the outstanding amount of the term loan {only applicable to Land &amp; Building, Plant &amp; Machinery shall not to be considered for Security Coverage} or as per sanction terms for the existing loan whichever is higher can be considered.</li> <li>However, Spill over of collateral from existing primary security of term loan in case of Retail loans shall be 200% of the outstanding amount of the term loan (only applicable to land &amp; Building, Plant &amp; Machinery not to be considered for Security Coverage) can be considered.</li> <li>The collateral securities (Land &amp; Building and/ or other liquid assets) held for the other credit limits (including the mapped schemes under Union Suvidha) can also be considered as continuing security under this scheme, subject to the condition that there is no dilution in the security coverage as per stipulation by sanctioning authority/ specific scheme guidelines for such loan.</li> <li>Security of Agriculture property/Educational Institutions/Hospital properties/ Religious trusts are not to be considered.</li> <li>Extant guidelines with regard to acceptance of tenanted properties/leasehold/vacant lands shall be adhered to.</li> <li>Open plots may be accepted by next sanctioning authority upto RLCC-I as security subject to thorough due diligence and ensuring that the property is not land locked and is clearly demarcated by way of boundaries.</li> <li>In case of MSME, Security coverage and valuation to be considered in terms of Land &amp; Building both Prime and Collateral security and other Liquid security as collateral proposed to be charged to the bank at the time of sanction for Term Loan &amp; sanction/renewal for working capital.</li> <li>1.50 times weightage for clearly defined liquid securities may be considered for the purpose of pricing only.</li> </ol>						

		<ul style="list-style-type: none"> <li>j. Personal Guarantee of all co-owners of the security to be obtained.</li> <li>k. Personal Guarantee of all partners in their individual capacities in case of finance to partnership firms.</li> <li>l. Personal Guarantee of Directors / Trustees/ members in case of finance to Ltd Company / Trust/ Society.</li> <li>m. In case of Trust/ Society, relaxation in Personal Guarantee of Trustee(s)/ Member(s) shall be permitted on case to case basis for proposals falling under the delegation of Branches / SLCC / RLCC by RLCC-1 (Headed by RH) and for proposals under ZLCC delegation relaxation on case to case basis shall be permitted by ZLCC.</li> </ul>
8	What is repayment schedule of the loans under Union MSME Suvidha	<p><b>Working Capital:</b> On Demand.</p> <p><b>Term Loan:</b> As per Loan Policy, the maximum period for repayment of term loan shall normally be 84 months (including moratorium), except for projects with longer gestation periods, infrastructure projects etc. Hence, the maximum door to door repayment period shall be limited to 7 years including maximum moratorium period of 12 months.</p> <p>Interest to be recovered during the moratorium period.</p>
9	What are the scheme codes under Union MSME Suvidha	<ul style="list-style-type: none"> <li>a. Accounts covered under Union Trade/ Union Trade Plus/ Union Enterprises shall migrate to Union MSME Suvidha Scheme Code, post necessary IT modifications.</li> <li>b. Working Capital Limits to existing units / enterprises financed by the Bank (other than Union Trade/ Union Trade Plus/ Union Enterprises) and falling within the ambit of the scheme may switch over at the time of next renewal subject to satisfactory compliance of the Terms and condition of previous sanction.</li> </ul> <p>However, existing Term Loans (other than Union Trade/ Union Trade Plus/ Union Enterprises) will not be eligible for migration under the scheme.</p>
10	What are the Unique Selling Points for the Scheme Union MSME Suvidha?	Branches/Sanctioning authority may sanction only need based In-built Top up loan with a cap of 20% of the assessed limit (both Term Loan, NFB/FB working capital), subject to maximum of Rs 5.00 Crore.



MSME DEPARTMENT  
CENTRAL OFFICE, MUMBAI

Frequently Asked Questions (FAQ) on MSME Scheme “Union Turnover Plus”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Turnover Plus?	<p>a. All Micro, Small &amp; Medium Enterprises (MSME) engaged in manufacturing activity or service activity or trading activity irrespective of constitution will be eligible under the scheme.</p> <p>b. The Unit to avail loan under Sole Banking Arrangement (excl Retail Loans) and entire sales turnover is to be routed through Cash Credit (Working Capital) Account.</p> <p>c. Digital portion to be maintained at minimum 25 % of the projected Sales Turnover routed through Bank Books during the sanction period. (Digital transactions mean all sales transactions reflected in Bank Books other than Cash and paper based instruments such as Cheques, DDs, Pos, etc.)</p> <p>d. Credit Rating of the New Borrowers should not be below the Hurdle Rate as per Loan Policy.</p> <p>e. All the statutory approvals / NOCs from the respective Department etc should be in place.</p> <p>f. Any deviation in the eligibility criteria under the scheme shall be subject to prevalent / latest Loan Policy.</p>
2	What type of facilities can be sanctioned under the Scheme?	Fund Based Working Capital Limit
3	What is the quantum of finance under Union Turnover Plus?	Maximum up to Rs. 5.00 Crores for meeting the need based working capital requirement of MSEs which are adopting Digital Channels for Business Transactions, on the basis of Projected Sales Turnover acceptable to the Bank.
4	What is the margin requirement under this Scheme?	20 %
5	Interest Rates & Other Charges	
	Rate of Interest	As per extant interest rate guidelines for Micro, Small & Medium Enterprises (MSME). However, MSMEs having digitized sales turnover of above 50 %, at the time of Sanction / Review / Renewal will be extended concession of 0.50 % over applicable rate of interest subject to minimum appropriate EBLR / MCLR as applicable.
	Processing Charges	As applicable on regular WC facility as per extant guidelines on Service Charges
	Documentation Charges	As applicable on regular WC facility as per extant guidelines on Service Charges
	Other Service Charges	As applicable on regular WC facility as per extant guidelines on Service Charges
6	Whether the proposal is to be rated as per credit rating norms?	<p>In respect of advances having total credit limit above Rs. 2.00 Lacs, the account should be rated as per internal scoring/ rating models of the Bank. Credit Scoring/ Rating of the New Borrowers should not be below the Hurdle Rate as per Loan Policy. Hurdle rate in case of scoring models shall be 60.</p> <p>The Credit Scoring/ Rating Models are dynamic in nature and are subject to periodical modifications. Necessary guidelines from Risk Management Department/ CP&amp;MSME Department issued time to time shall prevail.</p>
7	Security	
	Primary Security:	All assets created out of Bank's finance shall be charged in favour of Bank by way of Hypothecation /Mortgage etc.

	Collateral Security:	<p>a. No collateral should be insisted in case of Loans up to Rs. 10.00 Lac extended to units in the MSE Sectors and eligible accounts to be covered under applicable credit guarantee scheme.</p> <p>b. Collateral Security for the entire credit facility shall be Nil if advance is covered under CGTMSE Guarantee Scheme. Hybrid security model of CGTMSE may also be utilized as per the eligibility.</p> <p>c. Wherever, the account could not be covered under any Credit Guarantee Scheme, collateral security coverage of Minimum 60 % of total credit facility is to be obtained.</p> <p>d. Personal / Corporate guarantee of Promoters / Concern / Group concerns / guarantors, as applicable.</p> <p>e. Wherever, Credit Guarantee cover from approved institution is available, no third party guarantee shall be taken (or to be taken as per terms of Credit Guarantee Scheme under which the finance is covered).</p>
8	What is repayment schedule of the loans under Union Turnover Plus	On demand. To be renewed every 12 months as per extant guidelines
9	What are the scheme codes under Union Turnover Plus	CCTOP
10	What are the Unique Selling Points for the Scheme Union Turnover Plus?	Concessional rate of interest and additional working capital limit for digital turnover.

Frequently Asked Questions (FAQ) on MSME Scheme “Union Progress”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Progress?	<ul style="list-style-type: none"> <li>All Micro and Small enterprises engaged in manufacturing and service sector.</li> <li>All business units irrespective of constitution i.e. Individuals, Proprietorship, HUF, partnership concerns (including limited liability partnership), Limited Companies Society, Trust, Association etc classified under Micro &amp; Small enterprise category.</li> <li>Units should have all the statutory approvals / NOCs from the respective department etc.</li> <li>Credit Rating of the borrowers should not be below CR-4 for takeover and CR-5 in case of new connections.</li> <li>Any deviation in the eligibility criteria shall be subject to prevalent / latest Loan Policy.</li> <li>All new and existing eligible proposals of Micro and Small enterprises may be covered under the scheme except those accounts which are not eligible for CGTMSE coverage (like educational institutions) which are unable to provide stipulated security coverage.</li> </ul>
2	What type of facilities can be sanctioned under the Scheme?	Term Loan and / or Working capital (Fund Based and Non-Fund Based)
3	What is the quantum of finance under Union Progress?	<ul style="list-style-type: none"> <li>Maximum limits up to Rs. 2.00 Crs can be sanctioned to meet need based requirement.</li> <li>Assessment to be made as per the lending method indicated in the Loan Policy.</li> </ul> <p>(It is clarified that assessment of loan to Greenfield Micro &amp; small Enterprises will be based on projections as per norms. Further, income proof like ITR / Balance Sheet may not be insisted for loans up to Rs. 10 lacs, unless otherwise available)</p>
4	What is the margin requirement under this Scheme?	<p>For Working Capital Limits:</p> <ul style="list-style-type: none"> <li>➤ 10% for credit limit up to Rs. 10 lacs.</li> <li>➤ 25% for credit limits above Rs. 10 lacs.</li> </ul> <p>For Term Loans:</p> <ul style="list-style-type: none"> <li>➤ Land &amp; Building - 35%</li> <li>➤ Machinery &amp; Equipment - 25%</li> <li>➤ Others - 25%</li> </ul>
5	Interest Rates & Other Charges	
	Rate of Interest	As per extant interest rate guidelines for Micro and Small Enterprises.
	Processing Charges	<p><b>Micro Enterprises:</b></p> <ul style="list-style-type: none"> <li>➤ Upto Rs. 10 lacs: Nil</li> <li>➤ Above Rs. 10 Lacs: 50% of applicable rate + Applicable GST.</li> </ul> <p><b>Small Enterprises:</b></p> <ul style="list-style-type: none"> <li>➤ Up to Rs. 10 lacs: Nil</li> <li>➤ Above Rs. 10 lacs: 50% of applicable rate + Applicable GST.</li> </ul>
	Documentation Charges	As applicable
	Other Service Charges	As applicable
6	Whether the proposal is to be rated as per credit rating norms?	In respect of advances having total credit limit above Rs.2.00 lacs, credit rating shall be done as per extant guidelines. (Credit rating is not applicable for advance up to Rs.2Lacs.)



7	<p>Security</p> <p>Primary Security:</p> <p>Collateral Security:</p>	<p>All assets created out of Bank's finance shall be charged in favor of Bank by way of hypothecation / mortgage etc.</p> <p><b>Collateral</b></p> <p>a. No collateral should be insisted in case of loans up to Rs.10 lacs extended to units in the MSE sectors (whether eligible under CGTMSE or not)</p> <p>b. All loans up to Rs. 25 lacs extended to Micro &amp; Small Enterprises and eligible for coverage under credit guarantee scheme of CGTMSE should be covered without any exception.</p> <p>c. If at all there is any exception, the same should be only with the prior permission of respective Regional Head.</p> <p>d. Collateral free credit limits up to Rs.200 lacs may be provided to micro &amp; small enterprises under Credit Guarantee Scheme for MSEs.</p> <p>e. Credit facility above Rs.10.00 lacs to accounts not under CGTMSE coverage:</p> <p>i. Collateral security coverage of minimum 75% of total credit facility is to be obtained.</p> <p>ii. However, if the primary security coverage (considering the value of land &amp; building only) of minimum 125% of total credit facility, collateral security may not be insisted.</p> <p>f. Annual guarantee fee payable to Credit Guarantee Trust to be fully absorbed by the borrower. (As per CGTMSE, the definition of collateral for CGTMSE coverage is detailed as per annexure-II, which may be adopted for obtaining Credit Guarantee )</p> <p><b>Guarantee</b></p> <p>a. Personal guarantee of promoter directors, proprietor, partners, trustees / members of the firm/company having sufficient means and of all mortgagors of collateral security.</p> <p>b. If CGTMSE coverage is available, no third party guarantee shall be taken.</p> <p>(As per CGTMSE, the definition of third party guarantee for CGTMSE coverage is detailed as per annexure-II, which may be adopted for obtaining Credit Guarantee)</p>
8	<p>What is repayment schedule of the loans under Union Progress</p>	<p>Working Capital: 12 months subject to renewals as per extant guidelines.</p> <p>Term Loan: To be repaid within maximum period of 84 monthly installments inclusive of maximum moratorium period of 12 months.</p> <p>Interest to be paid as and when due.</p> <p>(Erstwhile Corporation Bank scheme Corp Apni Dukan is having term loan repayment period 17 years for construction and 10 for other than construction loans. Existing loans under this scheme shall continue till maturity. However, further loans shall be sanctioned under Union Progress only from 01.04.2020 onwards.)</p>
9	<p>What are the scheme codes under Union Progress</p>	<p>- All accounts under this scheme shall be opened under scheme code "CCUNP" for Cash Credit facility and "TLP07" for Term Loan.</p> <p>- Union Laghu Udyami Credit Card: Free Code 4&gt;&gt;218 (ULUCC)</p>
10	<p>What are the Unique Selling Points for the Scheme Union Progress?</p>	

### DEFINITIONS FOR THE PURPOSE OF COVERAGE UNDER CGTMSE

1. **What is the difference between primary security and collateral security?**

Primary security is assets created out of the credit facility extended to the borrower and / or which are directly associated with the business / project of the borrower for which the credit facility is extended. Collateral security is any other security offered for the said credit facility. For example, hypothecation of jewellery, mortgage of house, etc.

**Example:** Land, Plant & Machinery or any other business property in the name of a proprietor or unit, if unencumbered, can be taken as primary security.

2. **What is third party guarantee**

As per extant guidelines of CGTMSE, no third party guarantee should be obtained if the account is to be conveyed under the Credit Guarantee Scheme. However, in case the constitution of the borrower is proprietary or partnership, the personal guarantee of proprietor / partner is not treated as third party guarantee. Similarly, personal guarantee of directors, where borrower is a Company will not be treated as third party guarantee. Personal guarantee of spouse, friend etc will be treated as third party guarantee.

MSME DEPARTMENT  
CENTRAL OFFICE, MUMBAI

Frequently Asked Questions (FAQ) on MSME Scheme “Union Professional”

Sl. No.	Query	Clarification								
1	Who are eligible for availing loans under Union Professional?	<p>Practicing Chartered Accountants, Architects, Engineers, Valuers, Management/ Financial Consultants, Company Secretaries, Cost Accountants, etc.</p> <p>a. <b>Constitution:</b> Individuals, Firms, Limited Liability firms, Companies, Trust or Societies engaged in rendering professional services having an established practice.</p> <p>b. The existing Professionals/ Firm should be an assessee under Income Tax.</p> <p>c. There is no income criterion for new business. In case of existing Professionals/ Firm with more than three years of experience shall have a minimum Net Annual Income of more than Rs 1.50 Lakh (Latest available ITR).</p> <p>d. Should be a registered member with their respective professional Association/ Board/Body etc.</p> <p>e. Should have established practice with minimum experience of three years and be in the age group of 25-65 years.</p> <p>f. The Applicants should not have any outstanding statutory dues.</p>								
2	What type of facilities can be sanctioned under the Scheme?	<p>Term Loan for the following purposes:</p> <p>a. To finance acquisition of office premises for self-occupation by / of the Registered Medical Practitioners, Practicing Advocates, Chartered Accountants, Company Secretaries, consulting Engineers &amp; Architects etc.</p> <p>b. For outright purchase of ready built / existing office premises or premises under construction in commercial complexes / independent buildings and construction of office premises in the land already owned <b>OR</b> for purchase of site/ land and construction of office premises thereon.</p> <p>c. Where loan is for purchase of site/ land and construction of office premises, value of the land shall not exceed <b>50%</b> of the total project cost.</p> <p>d. Loan for purchase of office furniture &amp; fixture, solar water/ electricity systems shall be considered only for the office premises acquired under the Scheme.</p> <p>e. Maximum age of the ready built property shall be <b>30</b> years (i.e. at the time of sanction of loans). Further, the residual life of the property should be atleast 10 years more than the repayment tenor of the loan. (Certificate of Residual age of the security to be obtained from empanelled valuer prior to sanction of loan).</p> <p>f. Loans for repair/ renovation/ improvement/ extension of Office premises may also be considered against the security of Office premises or any other immovable property /other financial assets after maintaining prescribed margin on respective security.</p>								
3	What is the quantum of finance under Union Professional?	<p>Quantum of finance under the scheme is as under;</p> <table border="1" data-bbox="762 1792 1407 1881"> <thead> <tr> <th>Rural Centres</th> <th>Semi Urban Centres</th> <th>Urban Centres</th> <th>Metro</th> </tr> </thead> <tbody> <tr> <td>Rs.10 lac</td> <td>Rs.50 lac</td> <td>Rs.2 Cr</td> <td>Rs.5 Cr</td> </tr> </tbody> </table> <p>However the loan amount is determined on the basis of financial viability and income / repayment capacity of the professional concerned.</p>	Rural Centres	Semi Urban Centres	Urban Centres	Metro	Rs.10 lac	Rs.50 lac	Rs.2 Cr	Rs.5 Cr
Rural Centres	Semi Urban Centres	Urban Centres	Metro							
Rs.10 lac	Rs.50 lac	Rs.2 Cr	Rs.5 Cr							

		Loan amount mentioned above shall be based on the location of the property and not category of the Branch.
4	What is the margin requirement under this Scheme?	<p>The Margin requirements are as under;</p> <ul style="list-style-type: none"> <li>➤ Uniform margin of 35% on Cost of Construction/Purchase consideration [the agreement value inclusive of stamp duty/ registration, etc.]</li> <li>➤ 40 % for furniture and fixtures etc. [Only if office premises is acquired under the scheme]</li> <li>➤ Where loan is for purchase of site/ land and construction of office premises, value of the land shall not exceed 50% of the total project cost.</li> </ul>
5	Interest Rates & Other Charges	
	Rate of Interest	As per the extant guidelines.
	Processing Charges	0.75% of loan amount subject to minimum of Rs.5000/- + GST.
	Documentation Charges	As applicable.
	Other Service Charges	As applicable.
6	Whether the proposal is to be rated as per credit rating norms?	<p>Pricing not linked to rating. Credit Rating to be done for ascertaining the Investment Grade.</p> <p>The Credit Scoring/ Rating Models are dynamic in nature and are subject to periodical modifications. Necessary guidelines from Risk Management Department/ CP&amp;MSME Department issued time to time shall prevail.</p>
7	Security	
	Primary Security:	<p>Mortgage of the Land, Office Premises, Property as applicable and Hypothecation of the furniture and fixtures financed under the scheme. It should be ensured that the value of land shall not exceed 50% of the total projected cost.</p> <p>No other collateral security should be insisted upon, other than the primary security.</p> <p>All Eligible Loans up to Rs 2.00 Crores can be covered under CGTMSE. Hybrid model of CGTMSE may also be utilized. Payment of annual guarantee fee, claim procedure, etc to be ensured as per extant guideline.</p>
	Collateral Security:	<ul style="list-style-type: none"> <li>➤ Personal Guarantee of all co-owners of the security to be obtained.</li> <li>➤ Personal Guarantee of all partners in their individual capacities in case of finance to partnership firms.</li> <li>➤ Personal Guarantee of Directors / Trustees in case of finance to Ltd Company / Trust/ Society.</li> <li>➤ Depending upon the risk perception, sanctioning authority may stipulate third party guarantee on case to case basis.</li> </ul>
8	What is repayment schedule of the loans under Union Professional	<p>a. Term Loan: Repayable in EMI - Max 84 Months (including 12 months moratorium period). Interest to be recovered during the moratorium period.</p> <p>b. Where a ready-built office premise is purchased, the repayment</p>

		<p>holiday is restricted to 2 months only for furnishing purposes, if necessary.</p> <p>c. In the case where initial repayment holiday is permitted depending upon the occupation of premises for commercial use, sanctioning authority should clearly state whether the interest charged to the loan account during the repayment holiday is to be recovered from the borrower as and when it falls due or not.</p> <p>d. EMI shall be revised at the time of annual review taking into account applicable interest rate, balance outstanding [excluding overdues] in relation to remaining repayment tenor.</p> <p>e. Further, revised EMI shall be invariably communicated to the borrower/s by letter, email and a copy of such communication shall be held with the documents</p>
9	What are the scheme codes under Union Professional	Accounts to be opened under new Scheme Code.
10	What are the Unique Selling Points for the Scheme Union Professional?	A tailor made scheme for customers engaged in services segment.



Frequently Asked Questions (FAQ) on MSME Scheme “Union Start Up”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Start Up?	<p>a. The Unit must be eligible and certified as “Start-up” by the concerned Government Authority as per Start-up India scheme launched by Government of India (Gol).</p> <p><b>Definition of Start-up:</b> An entity shall be considered as a Startup:</p> <ol style="list-style-type: none"> <li>Up to a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.</li> <li>Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded Rs. 100 crore.</li> <li>Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a ‘Startup’. The above definition of Start-up is subject to change as per directions of Government of India.</li> </ol> <p><b>Period of Existence of Start-up:</b> An entity shall cease to be a Startup on completion of ten years from the date of its incorporation/registration or if its turnover for any previous year exceeds Rs. 100 crore.</p> <ol style="list-style-type: none"> <li>The constitution of the Unit should be Private Limited Company, Registered Partnership and Limited Liability Partnership or as acceptable for classification as “Start-up” under Start-up India Scheme of Gol.</li> <li>All the statutory approvals / NOCs from the respective Department etc should be in place as per the progress of the project/operational stage of the Unit.</li> <li>Credit Rating of the New Borrowers should not be below the Hurdle Rate as per Loan Policy.</li> <li>The Unit to avail loan under sole banking arrangement (excluding retail loans).</li> </ol> <p>Any deviation in the eligibility criteria under the scheme shall be subject to prevalent / latest Loan Policy.</p>
2	What type of facilities can be sanctioned under the Scheme?	Term Loan and / or Working capital (Fund Based and Non-Fund Based) for the purpose of financing for innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation as per Start-up India Scheme.
3	What is the quantum of finance under Union Start Up?	Minimum: Rs.0.10crore Maximum: Rs.5.00crore
4	What is the margin requirement under this Scheme?	20% (Working capital as well as Term Loan)
5	Interest Rates & Other Charges	
	Rate of Interest	1% less than the applicable ROI subject to minimum appropriate MCLR/EBLR.
	Processing Charges	Nil
	Documentation Charges	Nil
	Inspection Charges	Nil

	Other Service Charges	As applicable.
6	Whether the proposal is to be rated as per credit rating norms?	Yes, Credit Rating is to be done as per extant guidelines.
7	Security	
	Primary Security:	All tangible assets created out of Bank's finance shall be charged in favour of Bank by way of hypothecation / mortgage etc.
	Collateral Security:	<b>Collateral:</b> May not be insisted upon.  <b>Guarantee:</b> - Personal guarantee of promoter directors, partners of the firm/company having sufficient means and of all mortgagors of collateral security, if any. - If Credit Guarantee cover from approved institution is available, no third party guarantee shall be taken (or as per terms of Credit Guarantee Scheme.)
8	What is repayment schedule of the loans under Union Start Up	<b>Working Capital:</b> 12 months subject to renewal as per extant guidelines. (The Working capital limit may be kept in abeyance pending completion of project or earlier as the case may be.)  <b>Term Loan:</b> Maximum Door to Door repayment shall be 10 years including moratorium period not exceeding 36 months. Repayment can be in monthly / quarterly instalments. Interest shall be recovered separately.
9	What are the scheme codes under Union Start Up	Term Loan - TLP11 Working Capital - CCUSU
10	What are the Unique Selling Points for the Scheme Union Start Up?	I. Union Start Up Scheme is a unique scheme to finance for the Registered Start Up entities. II. Loan is offered at concessional rate of interest and concessions in service charges also. III. No separate approval is required as the benefits are incorporated within the scheme. IV. Extended repayment for term loan.

Frequently Asked Questions (FAQ) on MSME Scheme “Union GST Gain”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union GST Gain?	<p>a) All units engaged in trading/ Services/manufacturing activity i.e. Retail Traders, Wholesale Traders including Supermarkets, Malls, Departmental Stores, Dealers in Groceries, Consumer durables, Cooperative stores, manufacturer, Repairs shops etc irrespective of constitution and classified under MSME (as per new MSME definition, with Udyam registration certification) will be eligible under the scheme.</p> <p>b) The borrower should be in possession of requisite registration under GST Act viz. i.e. Provisional Registration (Form GSTREG-25) or Final Registration (Form GSTREG-06).</p> <p>c) The borrower should have valid GST Returns i.e GSTR-1(Regular), GSTR-4(Composition) in place.</p> <p>d) In case of Regular Scheme GSTR-1(To be filed Monthly) should have been filed for continuous last three months.</p> <p>e) In case of Composition Scheme CMP-08(To be filed Quarterly) should have been filed for at least one quarter</p> <p>f) Units should have all the statutory approvals/NOCs from respective departments in place.</p> <p>g) The rating of the account should be between UBC-1(CR-1) to UBC-4(CR-4) to remain eligible under the scheme. (Down gradation of rating to UBC-5(CR-5) &amp; below will result in withdrawal of concessional rate available under the scheme and in such cases, rate of interest applicable to MSME advances would be charged. Further, the assessment method to change from cash flow based to traditional methods, as enumerated in loan policy).</p> <p>h) The borrower to undertake to avail credit facility under Sole Banking Arrangement with our Bank only.</p> <p>Opening/ maintaining of current account with other bank shall not be allowed under the scheme as per IC no. 2179- 2020 dated 28.08.2020.</p> <p>i) Existing borrowers can switch over to this scheme subject to fulfilling of the eligibility criteria specified above.</p> <p>j) Minimum 80% of the turnover in Current/ CC accounts should be against the sales mentioned in the GST Return.</p>
2	What type of facilities can be sanctioned under the Scheme?	Working Capital (Fund Based and Non-Fund Based)
3	What is the quantum of finance under Union GST Gain?	Minimum Limit: Above Rs.10.00 lac. Maximum: Rs. 500.00 lac.
4	What is the margin requirement under this Scheme?	Working Capital : 20%
5	How the limit shall be assessed under Union GST Gain?	<p>a. Assessment needs to be done strictly as per turnover (Sale/supply) specified in GSTR-1 returns filed by the borrower. No CMA should be insisted upon.</p> <p>b. Minimum last 12 months GST return (Either monthly or annual return) to be obtained.</p> <p><b>Exception:</b> Minimum monthly return for 3 months and minimum quarterly return for one</p>

quarter shall be applicable for newly established MSME units.

- c. Based upon the average turnover (in case of new firm where only the monthly GST return for three months or GST return of one quarter is available), annual projected turnover for next 12 months is to be arrived at.

Eligibility Criteria: Minimum 80% of turnover in Current/ CC accounts (Actual turnover) should be against the sales mentioned in GST return.

Eg: I) In Case wherein only 3 Monthly GSTRs are available (Amt. in Lacs)

Particulars	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Avg Monthly Turnover as per Return for last 3 Months (A)	25.00	25.00	25.00	25.00
Annualized Proj. Turnover (A X 12)	300.00	300.00	300.00	300.00
Average Credit Turnover in Account for last 3 months (B)	15.00	20.00	25.00	30.00
Annualized Proj. Turnover (B X 12)	180.00	240.00	300.00	360.00
Whether Eligible ('B' being min 80% of 'A')	NO	YES	YES	YES
Annual Projected Turnover Assessment of Limit (Lower of A & B) (C)	Not Eligible (NE)	240.00	300.00	300.00
Limit (30% of C)	NE	72.00	90.00	90.00

II) In Case wherein only 1 Quarterly GSTR is available (Amt in Lacs)

Particulars	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Quarterly Turnover as per GST Return (A)	50.00	50.00	50.00	50.00
Annualized Proj. Turnover (A X 4)	200.00	200.00	200.00	200.00
Actual Credit Turnover in Account	35.00	40.00	45.00	60.00
Annualized Proj. Turnover (B X 4)	140.00	160.00	180.00	240.00
Whether Eligible ('B' being min 80% of 'A')	NO	YES	YES	YES
Annual Projected Turnover Assessment of Limit (Lower of A & B) (C)	Not Eligible (NE)	160.00	180.00	200.00
Limit (30% of C)	NE	48.00	54.00	60.00

- d. Once account is running under GST regime for more than 1 year, the basis for projected turnover for assessment will be on GSTR-9(Annual Return) or Turnover in the Current/ CC accounts, whichever is lower.

III) In Case of Yearly GSTR (Amt in Lacs)

Particulars	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Turnover as per GSTR (A)	200.00	200.00	200.00	200.00
Actual Credit Turnover in Account (B)	150.00	160.00	180.00	240.00
Whether Eligible ('B' being min 80% of A)	NO	YES	YES	YES
Basis for Annual Projections (Lower of A & B) (C)	Not Eligible	160.00	180.00	200.00
Whether Eligible ('B' being min 80% of A)	NO	YES	YES	YES
Projected Annual Turnover (say 15% growth)	Not Eligible	160.00	180.00	200.00

		<table border="1"> <tr> <td>C X 115% (D)</td> <td>Eligible (NE)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Limit (30% of D)</td> <td>NE</td> <td>55.20</td> <td>62.10</td> <td>69.00</td> </tr> </table> <p>Note: Minimum monthly return for 3 months and minimum quarterly return for one quarter was one of the assessment criteria since, GST was implemented from July'2017 and initially scheme was introduced in Oct'2017. Now, almost 2 and a half year has been completed since GST implementation, hence we minimum of 1 month GST return (Either monthly or annual return) to be obtained for assessment purpose.</p> <p>Exception: Minimum monthly return for 3 months and minimum quarterly return for one quarter shall be applicable for newly established MSME units.</p> <p>f. The maximum quantum of working limit assessed will be 30% of the projected acceptable turnover as assessed in 7(d) / (e).</p> <p>g. In GST regime the registered person is entitled to take credit of input tax charged on supply of goods or services or both to him which are used or intended to be used in the course or furtherance of business, which can block the fund for some times. In order to mitigate this, WC is assessed at 30% of the turnover as given in clause f.</p> <p>h. Bank account statement of the customer to be assessed for ascertaining the Cash flows of the borrower/ unit and time taken for realization of receivables.</p> <p>All limits assessed under this scheme are not eligible to be financed under GST credit scheme.</p>	C X 115% (D)	Eligible (NE)				Limit (30% of D)	NE	55.20	62.10	69.00
C X 115% (D)	Eligible (NE)											
Limit (30% of D)	NE	55.20	62.10	69.00								
6	Interest Rates & Other Charges											
	Rate of Interest	As per the extant guidelines.										
	Processing Charges	As applicable.										
	Documentation Charges	As applicable.										
	Other Service Charges	As applicable.										
7	Whether the proposal is to be rated as per credit rating norms?	Yes, Proposal is to be rated as per extant guidelines. The Benchmark ratios not to be considered for internal rating of the borrower and to be treated as "Not Applicable".										
8	Security											
	Primary Security:	The advance shall be secured by hypothecation of stock duly insured and/or book debts.										
	Collateral Security:	<p>a. Mortgage (Equitable /Registered) of immovable property (land and building) / Pledge of securities like NSCs / KVPs / Deposits / assignment of Life Insurance policies (only surrender value to be taken into account, subject to compliance of guidelines as per extant credit risk mitigation techniques and collateral management policy) / other Government securities to the extent of minimum 100% of loan amount.</p> <p>b. In case of any existing Term Loan secured by Landed property, the value of property in excess over 133% of the total outstanding in Term Loan account or margin stipulated at the time of sanctioning of Term Loan, whichever is higher, may be considered as eligible collateral for the scheme.</p> <p>c. However, in case of mortgage loan (Union Liqui Property, Retail Loans etc) such excess shall be considered over 200% of the loan outstanding.</p> <p>d. Security of Agriculture property /Educational Institutions/</p>										



		Religious trusts is not to be considered. e. Extant guidelines with regard to acceptance of tenanted properties /leasehold/vacant lands shall be adhered to.
9	What are the scheme codes under Union GST Gain	CCGST
10	What are the Unique Selling Points for the Scheme Union GST Gain?	<ol style="list-style-type: none"> <li>1. Simplified assessment of limits based on the GST returns, without insisting for the CMA data.</li> <li>2. Competitive rate of interest linked with the collateral security coverage.</li> </ol>



Frequently Asked Questions (FAQ) on MSME Scheme “Union Parivahan”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Parivahan?	<ul style="list-style-type: none"> <li>➤ All business units of following constitution i.e. Individuals, Proprietorship, Partnership concerns (including LLP), Limited Companies, Society, Trust engaged in transportation business or any other business.</li> <li>➤ Applicant should have sound knowledge/ experience to run the business, creditworthiness and satisfactory track record.</li> </ul> <p>Overall demand supply position in the area where vehicle will operate should justify the number of vehicles to be purchased.</p>
2	What type of facilities can be sanctioned under the Scheme?	<b>Term Loan:</b> for purchase of Brand new Vehicles.
3	What is the quantum of finance under Union Parivahan?	<p>Maximum: - <b>Rs.500.00 lakhs</b> (<i>The quantum of finance is maximum at any point of time under this particular scheme.</i>)</p> <p>For financing transport operators and others for purchasing of Brand new vehicle (eligible for registration as Commercial Vehicle in the books of transport authorities) as under:</p> <ul style="list-style-type: none"> <li>- Utility Vehicle, Light / Medium/ Heavy Commercial vehicles. Light Motor Vehicles (LMV) - like Three wheeler, Jeep (commercial purpose), Taxi, Delivery Van to be operated for both passenger &amp; Goods carrier and vehicles.</li> <li>- Heavy Commercial Vehicles (HCVs): Heavy Motor Vehicles (HMVs) - Vehicles used for both commercial Goods transportation &amp; in construction/mining activities etc.</li> <li>- Passenger Bus / Semi Luxury / Luxury Buses</li> <li>- Vehicles registered for Commercial purposes (for eg. School Buses).</li> </ul>
4	What is the margin required under this Scheme?	Minimum 20%
5	Interest Rates & Other Charges	
	Rate of Interest	<p><b>Rate of interest as applicable to MSMEs</b></p> <p>Extant interest rates for previous schemes for RTO financing shall continue for existing accounts i.e. till the closure of account.</p> <p>In case of account covered under CGTMSE scheme, additional interest not to be charged to the borrower.</p>
	Processing Charges	As per extant guidelines on service charges
	Documentation Charges	As per extant guidelines on service charges
	Other Service Charges	As per extant guidelines on service charges
6	Whether the proposal is to be rated as per credit rating norms?	The account should be rated as per internal rating models of the Bank. Finance to be given to account having rating between UCR-1 to UCR-5 only.
7	Security	
	Primary Security:	<ul style="list-style-type: none"> <li>- Hypothecation charge on the vehicle financed by the Bank</li> <li>- Bank's charge on the vehicle to be registered with Regional Transport Authority.</li> </ul>

	Collateral Security:	<ul style="list-style-type: none"> <li>- Nil if advance is covered under CGTMSE Guarantee Scheme</li> <li>- For Term Loan/ portion of Term Loan advances not covered under CGTMSE, minimum collateral security of 25% of loan amount should be obtained in form of Mortgage of property / FDR / LIC Policy (surrender value), NSCs(only Surrender Value) KVPs (only Surrender Value), Units of eligible Mutual Fund may also be accepted.</li> <li>- In case of Mortgage created on third party property branches to ensure proper due diligence and other checks as per extant guidelines of the bank.</li> <li>- Borrower may also be extended Loan under CGTMSE for MSEs under Partial Collateral Security Model (Hybrid Security) under which bank can obtain collateral security for a part of the credit facility, whereas for the remaining part of the credit facility upto a maximum of Rs.200 lakhs can be covered under Credit Guarantee Scheme of CGTMSE.</li> <li>- Personal guarantee of promoters/Partners/ directors to be obtained</li> <li>- In case of Mortgage/assignment/lien created on security in the name of third party, Personal guarantee of such person(s) is to be obtained.</li> <li>- In case guarantee of the third party as given above (ii) is less than loan amount, another third party guarantee with sufficient means at least equivalent to the loan amount to be obtained if advance is not covered under CGTMSE/CGFMU.</li> </ul>
8	What is repayment schedule of the loans under Union Parivahan	<p>Repayment will be in form of <b>Equated Monthly Installment (EMI)</b> with Maximum up to 60 months including <b>moratorium</b> of maximum <b>3 (three)</b> months in case of HCV/HMV only, since additional time is required for body/trailer building. In case of LCV/LMV <b>1(one)</b> month moratorium to be given.</p> <p>Break period interest from the date of 1<sup>st</sup> disbursement up to last date of the month to be collected in advance at the time of disbursement from the customer in operative account for credit in the loan account on interest application date i.e. last date of the month to curb the buildup of stressed assets. (The recovery of break period interest clause shall be incorporated as one of the terms of sanction in Sanction letter).</p> <p>Standing instruction for deduction of EMI from operative SB/CD account with our bank and ECS/NACH mandate for account with other bank to be obtained invariably.</p> <p>Repayment to be made in Equated Monthly Installments (EMI). Branches to obtain Undertaking from the borrower and guarantors as per the <b>Annexure - III of circular</b>.</p>
9	What are the scheme codes under Union Parivahan	TLP12
10	What are the Unique Selling Points for the Scheme Union Parivahan?	<ol style="list-style-type: none"> <li>1. Cost of the vehicle shall include cost of the vehicle, body building cost, registration charges, road tax, insurance charges, cost for tanker, cost of accessories, etc.</li> <li>2. Cost of accessories (if any) to be financed, should not exceed <b>5%</b> of actual cost of vehicle.</li> <li>3. There is no restriction on number of vehicles to be financed.</li> </ol>

MSME DEPARTMENT  
CENTRAL OFFICE, MUMBAI

Frequently Asked Questions (FAQ) on MSME Scheme “Union Mudra”

Sl. No.	Query	Clarification								
1	Who are eligible for availing loans under Union Mudra?	<p>a. All Micro enterprises engaged in manufacturing, trading and service sector including professionals (like CA/ICWA/CS/Architect/Medical professionals etc) will be eligible under the scheme.</p> <p>b. Activities allied to Agriculture, e.g. Pisciculture, beekeeping, poultry, livestock, rearing grading, sorting, aggregation agro industries, dairy, fishery, agriculture and agribusiness centers, food &amp; Agro processing etc (excluding crop loans, land improvement such as canals, irrigation wells).</p> <p>c. All business units irrespective of constitution i.e. Individuals, Proprietorship, partnership concerns (including limited liability partnership), Pvt. Limited Companies, Public company and any other eligible legal entities classified under Micro enterprise category as per MSMED Act 2006.</p> <p>d. In case of individual and proprietary concern, relative of the individual/ proprietor i.e. spouse, father, mother, son, daughter etc. may joined as co-borrower (Please refer Loan Policy of bank for definition of relative).</p> <p>e. Applicant should not be defaulter in any Bank/Financial institution.</p> <p>Branches may refer to previously issued various circulars on Mudra Yojana (PMMY). A simplified checklist for various categories of Mudra loan has been suggested vide Circular Letter No.CP&amp;MSME: 2180:2015-16 dt.21.01.2016. Document checklist is given as Annexure I</p>								
2	What type of facilities can be sanctioned under the Scheme?	Composite Loan. Term Loan and / or Working capital (Fund Based & Non Fund Based)								
3	What is the quantum of finance under Union Mudra?	<p>- Maximum limits up to <b>Rs.10.00 lacs</b> can be sanctioned to meet need based requirement.</p> <p>Mudra loan are categorized as under depending on exposure.</p> <table border="1"> <tr> <td>Shishu</td> <td>Loan amount upto Rs.50,000/-</td> </tr> <tr> <td>Kishore</td> <td>Loan amount exceeding Rs.50,000/- and up to Rs.5.00 lacs</td> </tr> <tr> <td>Tarun</td> <td>Loan amount exceeding Rs.5.00 lacs and up to Rs.10.00 lacs</td> </tr> </table>	Shishu	Loan amount upto Rs.50,000/-	Kishore	Loan amount exceeding Rs.50,000/- and up to Rs.5.00 lacs	Tarun	Loan amount exceeding Rs.5.00 lacs and up to Rs.10.00 lacs		
Shishu	Loan amount upto Rs.50,000/-									
Kishore	Loan amount exceeding Rs.50,000/- and up to Rs.5.00 lacs									
Tarun	Loan amount exceeding Rs.5.00 lacs and up to Rs.10.00 lacs									
4	What is the margin requirement under this Scheme?	<p>Minimum Margin under Union Mudra is as under:</p> <ul style="list-style-type: none"> <li>➤ --NIL for loans falling under the Shishu loan category.</li> <li>➤ --10% for loans falling under the Kishore loan category.</li> <li>➤ --25% for loans falling under the Tarun loan category.</li> </ul>								
5	Interest Rates & Other Charges									
	Rate of Interest	<p>Present Rate of Interest, as per extant interest rate Instruction Circulars (IC no.417-2016 dt.31.03.2016) for Micro Enterprises.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>For Micro Enterprises</th> </tr> </thead> <tbody> <tr> <td>Advance Up to Rs.50,000/-</td> <td>EBLR + 0.50%</td> </tr> <tr> <td>Advance above Rs.50,000/- up to Rs.2.00 lakhs</td> <td>EBLR + 1.00%</td> </tr> <tr> <td>Advance above Rs.2.00 lakhs</td> <td>EBLR + 1.75%</td> </tr> </tbody> </table> <p>Rate of interest is subject to change from time to time. Branches are advised to take note of the same.</p>	Particulars	For Micro Enterprises	Advance Up to Rs.50,000/-	EBLR + 0.50%	Advance above Rs.50,000/- up to Rs.2.00 lakhs	EBLR + 1.00%	Advance above Rs.2.00 lakhs	EBLR + 1.75%
Particulars	For Micro Enterprises									
Advance Up to Rs.50,000/-	EBLR + 0.50%									
Advance above Rs.50,000/- up to Rs.2.00 lakhs	EBLR + 1.00%									
Advance above Rs.2.00 lakhs	EBLR + 1.75%									

	Processing Charges	NIL						
	Documentation & Inspection Charges	Flat Rs.500 + actual stamp duty, if any (Out of pocket expenses to be recovered by the Bank)						
	Other Service Charges	As applicable						
6	Whether the proposal is to be rated as per credit rating norms?	Applicable over advances over Rs.2.00 lacs as per bank's extant guidelines.  The Credit Scoring/ Rating Models are dynamic in nature and are subject to periodical modifications. Necessary guidelines from Risk Management Department/ CP&MSME Department issued time to time shall prevail.						
7	Security							
	Primary Security:	<b>Primary:</b> All assets created out of Bank's finance shall be charged in favor of Bank by way of hypothecation / mortgage etc.						
	Collateral Security:	c. Personal guarantee of all borrower(s), promoter directors, proprietor, partners of the firm. d. <b>No third party guarantee shall be taken, since the loan is to be covered under CGTMSE scheme.</b> e. All Micro loans are to be covered under CGTMSE and loans given for agri allied activities and OD in PMJDY shall be covered under CGFMU. f. Annual Guarantee fee payable under CGTMSE is to be fully recovered from the borrower.						
8	What is repayment schedule of the loans under Union Mudra	<b>i) Working Capital:</b> 12 months subject to renewal as per extant guidelines. Interest to be recovered as and when due.  <b>ii) Term Loan:</b> a. To be repaid within maximum period of 84 months in equated monthly installments inclusive of maximum moratorium period of 6 (six) months. Period of Moratorium to be allowed judiciously. <b>Repayment Schedule in Finacle should invariably be mentioned as EMI.</b> b. Branches may sanction for shorter tenor for the loan after evaluating the cash flow of the project/activities and the productive lifecycle of the asset created. c. Branches to obtain Undertaking from the borrower and guarantors as per the <b>Annexure - II</b> of the Scheme.						
9	What are the scheme codes under Union Mudra	Accounts to be opened under following scheme code. <table border="1" data-bbox="715 1406 1420 1503"> <thead> <tr> <th>Type of facility</th> <th>Scheme code</th> </tr> </thead> <tbody> <tr> <td>Working Capital</td> <td>CCMUD</td> </tr> <tr> <td>Term Loan</td> <td>TLU41</td> </tr> </tbody> </table> All agriculture loan accounts eligible to be classified as MUDRA accounts, to be opened under their <u>existing scheme</u> codes. However, they must be flagged as PMMY. All existing and new MUDRA accounts to be mandatorily flagged under "PMMY" label.	Type of facility	Scheme code	Working Capital	CCMUD	Term Loan	TLU41
Type of facility	Scheme code							
Working Capital	CCMUD							
Term Loan	TLU41							
10	What are the Unique Selling Points for the Scheme Union Mudra?	1. Financing to Mudra is one of the preferred segment of the Bank.  2. Financing to Mudra loans contributes to Mudra, Micro, MSME, Gross Advances of the Bank. 3. The processing charges for the loans under Union Mudra is NIL reducing the burden on the borrower. 4. Separate tab with simplified procedure has been given in the LAS for sanctioning the Mudra loans.						

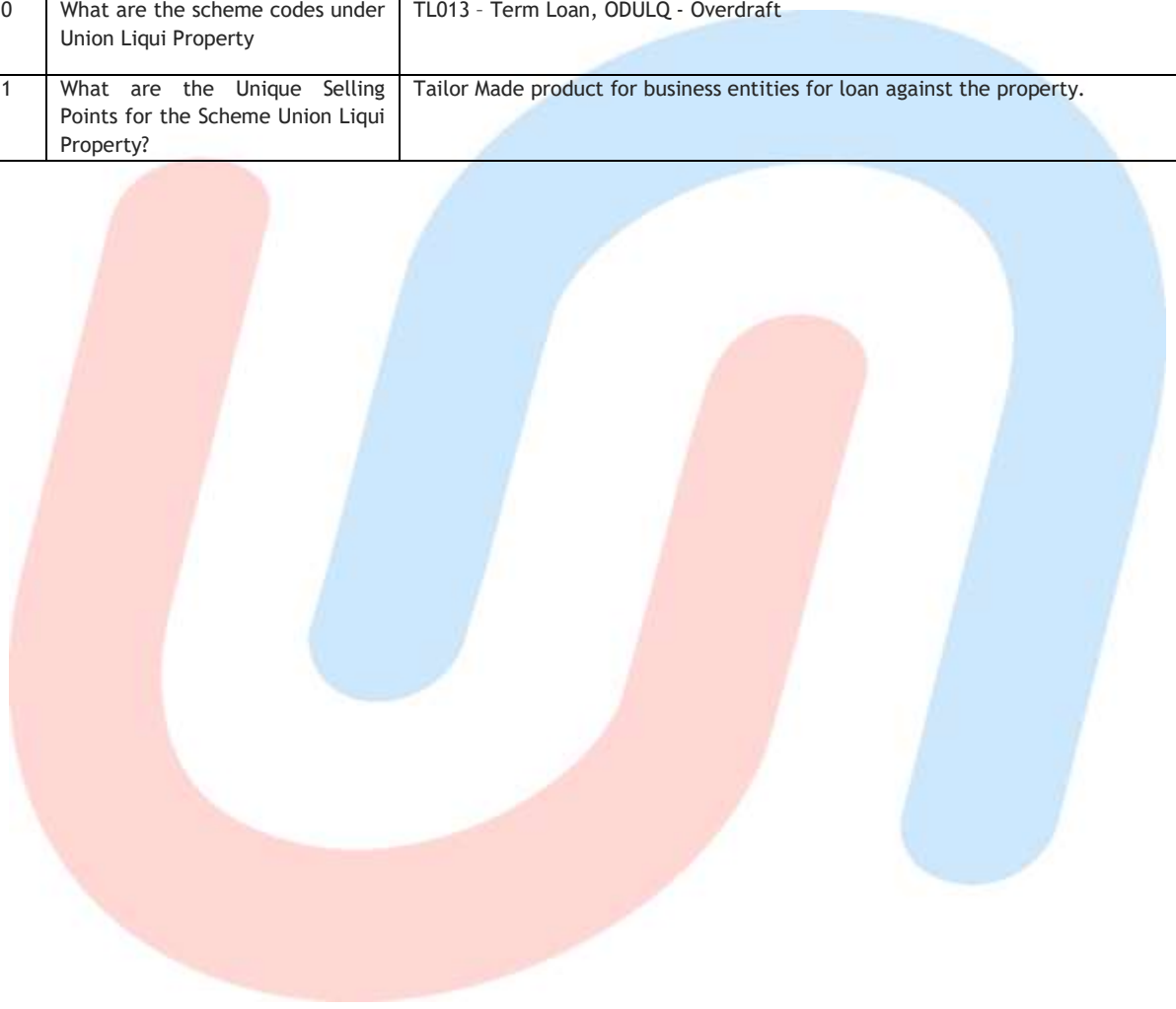


Frequently Asked Questions (FAQ) on MSME Scheme “Union Liqui Property”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Liqui Property?	<ul style="list-style-type: none"> <li>All business enterprises irrespective of constitution (Proprietorship/Partnership/Companies/Trust/Association etc) other than individuals and HUF engaged in business activity for minimum last two years.</li> <li>Units should have in place all necessary statutory approvals / NOCs from respective authorities.</li> <li>Credit Rating of the borrower should not be below UBI-5 in case of new connection and UBI-4 in case of takeover advances.</li> <li>All new as well as existing accounts can be covered under the scheme.</li> <li>Individual borrowers to be covered under Union Mortgage Scheme of Retail Banking &amp; Marketing Department.</li> <li>Enterprises engaged in speculative activities/Real Estate activities are not eligible for finance under this scheme.</li> </ul>
2	What type of facilities can be sanctioned under the Scheme?	Term Loan/Overdraft Facility.
3	What is the quantum of finance under Union Liqui Property?	<ul style="list-style-type: none"> <li>Minimum Rs.0.10crore</li> <li>Maximum Rs.10.00crore</li> </ul> <p>(Further, higher delegation is vested with Credit Approval Committees at Central Office level as per Policy on Delegation of Lending Powers)</p>
4	What is the margin requirement under this Scheme?	50% of the fair market value of the property as per valuation report i.e. value of property should be minimum 200% of the proposed loan amount.
5	How the limit shall be assessed under Union Liqui Property Scheme?	<p><b>Term Loan:</b> Not exceeding 5 times of average net annual income of last 3 years based on IT Returns of last 3 years along with depreciation i.e. 5 X Average of 3 years Cash Accruals (PAT + Depreciation)</p> <p>or</p> <p>50% of the fair market value of landed property offered as security, whichever is lower. (If the entity had not existed for last 3 financial years, then average to be worked out on the basis of years in existence.)</p> <p><b>Overdraft:</b> Not exceeding 20% of annual turnover based on last audited balance sheet. [In cases where the borrower enjoys regular working capital limits, the additional amount sanctioned should not exceed 20% of the borrower's annual sales turnover as per latest audited financial statements. Further, in case working capital is assessed under FBF method, assessment of limits (both working capital and overdraft) should be well within the FBF.]</p> <p>or</p> <p>50% of the fair market value of landed property offered as security, whichever is lower.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>In addition to above, assessment to be done as per the Cash Budget (Cash flow based) Method for credit facility above Rs.5.00 crores.</li> <li>Both Term Loan &amp; OD facility can be also be sanctioned simultaneously within overall assessment. In such case, total advance should not exceed 50% of the market value of the property being mortgaged.</li> <li>A suitable undertaking to be obtained from the borrower with regard to end use of fund and that the amount will not be used for speculative purpose.</li> <li>Financial Benchmarks are as under: <ul style="list-style-type: none"> <li><b>Current Ratio:</b> Not below 1.00</li> <li><b>TOL/TNW ratio:</b> Not exceeding 6:1</li> <li><b>DE ratio:</b> Not exceeding 4:1</li> <li><b>DSCR:</b> (In case of Term Loan only) <ol style="list-style-type: none"> <li>Average DSCR not below 1.50:1 with minimum DSCR of 1.20:1</li> <li>DSCR projection not to be insisted for term loans upto Rs.1.00crores under this scheme, when there is no other term loan other than under</li> </ol> </li> </ul> </li> </ul>

		<p>retail segment availed by the Concern.</p> <p>c. The ratio of repayment period (Excluding moratorium) to number of times of income considered (As per Point No.6 above) for TL assessment under the scheme should be 2:1.</p> <p>- (Relaxation/Deviations under financial benchmarks may however be considered on merits of the case at ZLCC &amp; above.)</p>
6	Interest Rates & Other Charges	
	Rate of Interest	<p>As per latest interest rate circular of the Bank.</p> <p>(The delegation for concession in ROI is vested at Central Office as per Policy on delegation of loaning powers.)</p>
	Processing Charges	As per Bank's guidelines
	Documentation Charges	As per Bank's guidelines
	Other Service Charges	As per Bank's guidelines
7	Whether the proposal is to be rated as per credit rating norms?	All accounts to be rated as per extant guidelines of the Bank.
8	Security	
	Primary Security:	<ul style="list-style-type: none"> <li>- Equitable Mortgage of residential / commercial / industrial property (Land &amp; Building) located at Metro / Urban / Semi Urban areas only, which are unencumbered from other bank / FI and should be enforceable under SARFAESIA.</li> <li>- The existing immovable property held as prime/collateral security for a particular credit facility can be accepted as prime/collateral security for other credit facility. However, the value of property to be considered for the purpose of prime/collateral security is to be restricted to the residual value of property in excess of 200% of the outstanding of the loan facility against which the property is held as prime security.</li> <li>- The property should be in the name and possession of applicant / proprietor / partners / directors / promoter.</li> <li>- Property in the name of close relatives i.e. father / mother / spouse / son / unmarried daughter of the proprietor / partner / director / promoter may also be accepted and in that case the property owner should stand as guarantor.</li> <li>- In case of industrial property, it is to be ensured that the property is free from onerous clauses, especially with regard to mortgage / sale of the property, stipulated at the time of purchase of property from the Govt. or while obtaining conversion as industrial land and there is no statutory due exists against such property.</li> <li>- Open plots may be accepted as security by delegated authority of ZLCC and above. However, thorough due diligence including that the property is not land locked and that is clearly demarcated should be ensured.</li> <li>- Agricultural land should not be accepted as security for loans / advances under this scheme.</li> <li>- Bank shall not finance against a property wherein right has been acquired through power of attorney.</li> <li>- In cases where value of any property is Rs. 5.00 Crores and above, legal opinion and valuation report of the subject property is to be obtained from two independent empanelled advocates and empanelled valuers respectively.</li> <li>- Loan can be extended on Leasehold property from DDA, HUDA, HUDCO, LDA and similar Government Housing Corporation/bodies subject to condition that: <ul style="list-style-type: none"> <li>i. The lease agreement should permit creation of our charge or a specific permission is obtained from respective organization/institution.</li> <li>ii. The unexpired lease period should be atleast 5 years longer than repayment period.</li> <li>iii. The borrower has paid entire consideration to the authority and borrower is in full possession of the property.</li> <li>iv. In case of stringent user conditions loan shall not be granted unless written permission from the concerned lessor is available.</li> <li>v. The necessary permission/NOC/tripartite agreement as applicable for</li> </ul> </li> </ul>

		creation of mortgage is obtained from respective development authority.
	Collateral Security:	<ul style="list-style-type: none"> <li>• Guarantee: Personal guarantee of the partners / directors /promoters (Other than independent/professional director) to be obtained.</li> <li>• Personal guarantee of property owners to be obtained.</li> </ul>
9	What is repayment schedule of the loans under Union Liqui Property	<ul style="list-style-type: none"> <li>• Term Loan to be repaid in maximum 120 months inclusive of moratorium period not exceeding 6 months. Interest is to be paid as and when due.</li> <li>• Overdraft facility is for a period of one year. However, it may be further extended subject to review/renewal of the facility by competent authority on yearly basis.</li> <li>• The loan repayment must end atleast 5 years before the end of the residual life of the property as per Valuation report.</li> </ul>
10	What are the scheme codes under Union Liqui Property	TL013 - Term Loan, ODULQ - Overdraft
11	What are the Unique Selling Points for the Scheme Union Liqui Property?	Tailor Made product for business entities for loan against the property.



Frequently Asked Questions (FAQ) on MSME Scheme “Union Ayushman”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Ayushman?	<p>a. All practicing qualified medical practitioners holding a recognized graduate degree in any branch of Medicine/ Surgery /Dental Science / Physiotherapy/ Radiology/ Pathology /Diagnostic imaging etc with minimum practicing experience of one year in the age group of 25 years to 65 years in any branch of medical science, with minimum qualification of :</p> <ul style="list-style-type: none"> <li>- MBBS</li> <li>- BAMS</li> <li>- BHMS</li> <li>- BDS</li> <li>- BV. Sc &amp; AH</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>- Degree in Para medical services like;</li> <li>- X-ray Technology and Radiology</li> <li>- Medical laboratory Technology</li> <li>- Physiotherapy</li> <li>- Optometry of Ophthalmic Technology</li> </ul> <p>b. Loan for New Medical Practitioners can be considered in the subject scheme on case to case basis. However, such loans shall be sanctioned by next higher authority up to ZLCC. For Loans under the delegation of ZLCC and CACs at Central Office, respective delegate shall consider the proposal.</p> <p>c. The Repayment period shall not exceed 70 years of age of the applicant unless co-applicant has independent income to service the loan.</p> <p>d. All courses/degrees should be recognized by related statutory/ regulatory authorities in India.</p>
2	What is the purpose of the sanctioning of loans under Union Ayushman?	<p>a. For Purchase of brand new electro medical, diagnostic, X-ray Machines, MRI and other sophisticated equipment including operation theatre equipment, air conditioners, generators , personal computer and accessories with software for diagnosis, and UPS systems. Equipment for scanning centers/poly clinic/ Laboratories, other equipment and machinery used for Medical Purpose etc.</p> <p>b. For Acquisition of Premises and/ or for setting-up of clinic/ hospital in own site Or Purchase of Site &amp; Construction of hospital/ clinic thereon, furnishing and cost of medicines. Expansion/ Renovation / Modernization of existing premises.</p> <p>c. For purchase of ambulance for Hospital/Clinic.</p> <p>d. For Purchase/ Installation of Lift / Elevator, Solar Water heating system, Solar Electrification System etc to be installed at hospital premises.</p> <p>e. Composite loan is also permissible.</p> <p>f. Financing of Second Hand Medical Equipments/ Machinery/ Ambulance NOT to be considered.</p> <p><b>Financing refundable deposit of premises taken on lease:</b> Financing refundable deposit amount can be considered with a maximum cap of up to ‘6 month’s rent’ or Rs. 30 lakh whichever is lower, subject to following terms and conditions:</p> <ul style="list-style-type: none"> <li>a. Lease agreement must be registered;</li> <li>b. Lease agreement must cover the entire tenure of loan and lease period not to be, in any case, less than tenure of the loan;</li> <li>c. The same must be considered against a tripartite agreement between bank, lessor &amp; lessee;</li> <li>d. The refundable deposit amount to be released directly to the owner of premises with an undertaking from the owner of premises that he/she will refund the deposit amount, to the party through the bank only;</li> <li>e. The entire refundable deposit amount returned will go towards settlement of the loan and in case there is any surplus left the same will be returned to the borrower;</li> </ul> <p>The lease and tripartite agreements must be duly scrutinized and vetted by law officer of the concerned Regional Office and his report must be held on</p>

		record.
3	What type of facilities can be sanctioned under the Scheme?	<ul style="list-style-type: none"> <li>➤ Term Loan</li> <li>➤ Working Capital</li> <li>➤ LC/BG (for purchase of equipment/ Capex)</li> </ul>
4	What is the quantum of finance under Union Ayushman?	<p>a. Depending upon the requirement and as per the project report, maximum quantum of loan will be Rs.20.00 Crore Sub limit for the same are as under:</p> <ul style="list-style-type: none"> <li>- Working capital will be 25% of the maximum limit subject to celling of Rs. 5.00 Crore.</li> <li>- Term Loan up to Rs.20.00 Crore.</li> </ul> <p>Delegation for any modification in quantum or Exposure above Rs.20.00 Crore rests with CACs at CO as per Delegation powers of respective CACs.</p>
5	What is the margin requirement under this Scheme?	<p>a. Term Loan :</p> <p>Minimum Margin for Term Loans:</p> <ul style="list-style-type: none"> <li>- For Purchase of Equipment &amp; Vehicle : 15%</li> <li>- Construction / Acquisition of premises (Including/ Expansion/ Renovation / Modernization of Existing premises) : 35%</li> <li>- Wherever the loan is for Purchase of Site and Construction of Hospital/ Clinic, financing the Cost of Land/ Site shall be restricted to 30% of the Total Project Cost.</li> </ul> <p>b. Working Capital</p> <ul style="list-style-type: none"> <li>- Assessment: As per Norms prescribed in the Loan Policy.</li> </ul> <p>c.LC/BG Minimum Cash Margin: 15%</p>
6	Interest Rates & Other Charges	
	Rate of Interest	As per the extant guidelines.
	Processing Charges	As applicable on regular WC /TL/NFB facilities as per extant guidelines on Service Charges
	Documentation Charges	As applicable
	Other Service Charges	As applicable
7	Whether the proposal is to be rated as per credit rating norms?	<p>Pricing not linked to rating. Credit Rating to be done for ascertaining the Investment Grade (Presently CR:5 equivalent).</p> <p>The Credit Scoring/ Rating Models are dynamic in nature and are subject to periodical modifications. Necessary guidelines from Risk Management Department/ CP&amp;MSME Department issued time to time shall prevail (if any).</p>
8	Security	
	Primary Security:	Prime Security in the form of Hypothecation/ Charge of assets purchased/ created out of bank's finance.
	Collateral Security:	<p>a. <b>In case of purchase of equipment / machinery / vehicles etc:</b> Minimum Collateral requirement is 25% of the loan amount.</p> <p>b. <b>Acquisition / Expansion / renovation of premises:</b> Minimum Collateral requirement is 25% of the loan amount. In case of Mortgage of Land &amp; Building (in the subject scheme), Value over and above our Bank Finance may be considered for Collateral Security Coverage.</p> <p>c. <b>Combined loan i.e. for combined purposes as mentioned under a &amp; b:</b> Minimum Collateral requirement is 25% of the loan amount.</p> <p>In case of Mortgage of Land &amp; Building (in the subject scheme), Value over and above our Bank Finance may be considered for Collateral Security Coverage.</p>



		<p><b>d. Guarantee:</b> Personal Guarantee of all co-owners of the security to be obtained. Personal Guarantee of all partners in their individual capacities in case of finance to partnership firms. Personal Guarantee of Directors / Trustees/ members in case of finance to Ltd Company / Trust/ Society. In case of Trust/ Society, relaxation in Personal Guarantee of Trustee(s)/ Member(s) shall be permitted on case to case basis for proposals falling under the delegation of Branches / SLCC / RLCC by RLCC-1 (Headed by RH) and for proposals under ZLCC delegation relaxation on case to case basis shall be permitted by ZLCC.</p> <p><b>e. CGTMSE Coverage:</b> Eligible Loans up to Rs 2.00 Crore to be covered under CGTMSE, as applicable. Hybrid model of CGTMSE may also be utilized.</p>
9	What is repayment schedule of the loans under Union Ayushman	<p>a. Maximum 84 Equated Monthly Installments (EMI) . b. Moratorium period of Maximum up to 6 months may be permitted within maximum repayment period of 84 months if required/ requested. Repayment period shall be based on durability and useful life of the asset. c. For new construction - Maximum 180 months period including 24 months moratorium period. The repayment period should be co-terminus with maximum permissible age (70 years).</p>
10	What are the scheme codes under Union Ayushman	TLAYU / CCAYU
11	What are the Unique Selling Points for the Scheme Union Ayushman?	<ol style="list-style-type: none"> <li>1. Specific Scheme targeted for scouting loan proposal for Doctors, clinics and diagnostic labs.</li> <li>2. Competitive pricing.</li> </ol>

Frequently Asked Questions (FAQ) on MSME Scheme “Union Rent”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Rent?	<p>a. Landlords of our Branch/Offices premises (Including residential flat/houses leased to our Bank.)</p> <p>b. Owner of property (Commercial/Residential) who have rented the same to Public Sector Banks, Public Sector Undertakings, Post Office &amp; Government Departments.</p> <p>c. Owner of property (Commercial /residential/ IT Parks/Malls/properties in Industrial area/ SEZ) who have rented the same to other reputed companies/MNCs/Institutions/ Private Sector Banks etc.</p> <p>d. The property leased out should not have any litigation regarding the title and it should be owned by the borrower.</p> <p>e. The loan is not permissible in case where lessor and lessee belong to the same group. However in cases where there are multiple offices/ units in a single building and of which few unit(s) are leased out to firm(s) under the same group and remaining other unit(s) to other eligible lessees, financing under the scheme shall be Permitted. In such cases the rentals from such sister concern(s) should be excluded while arriving at the eligible loan amount. However, it should be ensured that a minimum of 10% of the total carpet area rented out is leased out to sister concern.</p> <p>f. Residual age of the building should be 5 years more than tenure of loan.</p> <p>g. The eligible lessors shall exclude the property owners who have leased out the entire property to following lessees: → Education Institutions → Sports Infrastructure → Hospitals. However, if the rent receivable from the above said restricted entities constitute less than or equal to 1/3rd of the total rent receivable, the same can be considered eligible.</p> <ul style="list-style-type: none"> <li>• The facility should be made available only to resident customers and not to NRIs (Individuals).</li> </ul>
2	What type of facilities can be sanctioned under the Scheme?	Term Loan
3	What is the quantum of finance under Union Rent?	<p>Maximum limit per party that can be sanctioned under the scheme should be calculated considering net rent amount available to the Bank up to maximum 120 months subject to lower of the following:</p> <p>a. 75% of the net rental income for residual/effective lease period i.e. Gross Rentals less (Advance rent received + property tax + TDS + Other statutory dues of lessor) OR b. 75% of the value of property OR</p> <p>c. Loan (at applicable rate of interest &amp; stipulated tenure of loan) that can be recovered / repaid from applicable rent receivables (Refer to Point on repayment) [Securitization of lease rentals and repayment thereof beyond the unexpired lease period up to 120 months (up to 180 months, in applicable cases for point no. 2.(e) i.e. in case of large commercial projects like IT Parks, Properties in Industrial area/ SEZ etc) may also be considered as per the terms of the scheme].</p> <p>Advance rent received if any shall be taken care of as per the terms of lease. In case the advance rent is to be adjusted in the last 6-12 installments, the unexpired lease period including option period shall be reduced by this period. If the advance rent is recoverable in monthly installments, it shall be adjusted out of monthly rent receivable apart from TDS and maintenance charges. However, in case of any deposit given by the lessee to the lessor towards advance rent which is refundable after expiry of lease period, the same to be deducted out of the lease rentals to arrive at</p>

		the loan eligibility. Also, increments in lease rentals for arriving at quantum of loan to be considered only if it is explicitly stated in the lease agreement.
4	What is the margin requirement under this Scheme?	25% of the net rental income for residual/effective lease period or 25% of value of property whichever is higher.
5	Interest Rates & Other Charges	
	Rate of Interest	As per extant guidelines.
	Processing Charges	i) Up to Rs 5 crore: 0.50% + GST ii) Above Rs 5 crore & up to Rs 50 crore: 0.25 % + GST iii) Above Rs 50 crore: 0.50% + GST
	Documentation Charges	As applicable.
	Other Service Charges	As applicable.
6	Whether the proposal is to be rated as per credit rating norms?	Internal rating to be done in case of take over only and it should fall under Investment grade. Pricing will not be linked with credit rating
7	Security	
	Primary Security:	Hypothecation of rent receivables
	Collateral Security:	<p>a. Up to Rs.1.00 Lacs - On Clean basis</p> <p>b. Above Rs.1.00 Lacs - Mortgage of property, in respect of which rent is charged to the loan. In case the security of the said property is not available, Mortgage of alternate property is permitted. However, It should be ensured that the property:</p> <ul style="list-style-type: none"> <li>• Have clear &amp; marketable title and there should not be any litigation of any nature outstanding on the property.</li> <li>• Should be held as free hold and</li> <li>• The value of the alternate property, if any, is not less than 150% of the loan amount.</li> </ul> <p>c. Other chargeable securities such as NSCs, Bank own deposit, LIC policies etc. having value sufficient to cover the loan amount may also be obtained.</p> <p><b><i>Residual age of the building should be at least 5 years more than tenure of loan</i></b></p>
8	What is repayment schedule of the loans under Union Rent	<p>i) Loan is repayable up to 120 months as detailed below:</p> <p>a. Loan is repayable by using the entire net rent amount (Gross Rent - proportionate advance rent received - property tax - TDS - Other statutory dues of lessor) within the unexpired period of lease or within 120 months, whichever is earlier.</p> <p>b. In case premises is leased to our Bank or other PSBs/ Public Sector Undertakings/ Post Office/ Government Departments then also the rent receivables of unexpired lease period up to maximum 120 months may be considered.</p> <p>c. Repayment capacity is to be assessed as per amortization sheet of the available net cash flows.</p> <p>d. For loans having both CRE and Non-CRE portion, the Non-CRE portion will generally be liquidated first. However, interest is to be paid as and when due for both CRE and Non-CRE portion.</p> <p>e. The CRE and Non-CRE component of loan should be mentioned and separate accounts should be opened in the system for CRE and Non-CRE</p>

		<p>portion of Loan for operational convenience and proper classification.</p> <p>ii) In case of large commercial projects like IT Parks, Malls, properties in Industrial area/ SEZ etc. where investments made by the promoter are large, the expected returns from these types of properties are spread over the years. In such cases, the securitization of lease rentals may be considered up to 180 months.</p> <ul style="list-style-type: none"> <li>➤ DSRA of 3 months to be applicable for all the sanctions under this scheme.</li> <li>➤ Where repayment period is more than 120 months sensitivity analysis to be carried out on following parameters: <ul style="list-style-type: none"> <li>• Increase in Interest rate by 100 bps</li> <li>• Decrease in realizable value of property by 10% &amp;</li> <li>• Decrease in rental receipt by 10%.</li> </ul> </li> </ul>
9	What are the scheme codes under Union Rent	TLU08
10	What is CRE & Non-CRE?	<p><b>Non-CRE:</b> The portion of loan amount calculated taking into consideration the effective lease period up to the lock-in period and without exit clause. Further, there should not be a clause in lease agreement which allows a downward revision in the rentals.</p> <p><b>CRE:</b> The portion of loan amount calculated taking into consideration the period of lease rental beyond the period of Non-CRE i.e. Lock-in period as above.</p> <p>(The CRE portion of loan covering the period beyond the lock-in period will be treated as Non-CRE under Union Rent Scheme up to the extension of lock in period, if any on renewal or execution of fresh lease agreement.)</p> <p><b>Separate loan account for Non-CRE &amp; CRE portion to be opened for better monitoring.</b></p>
10	What are the Unique Selling Points for the Scheme Union Rent?	<ul style="list-style-type: none"> <li>➤ Unique scheme for securitization of rent receivables.</li> <li>➤ Wherever the automatic extension clause in the lease agreement is available, the securitization of lease rental up to 120 months (up to 180 months, applicable in case of point no. 2.e. It should be ensured that a minimum of 10% of the total carpet area rented out is leased out to sister concern) can be considered although the original lease agreement is for shorter period.</li> <li>➤ In case of lease agreement of less than 120 months say of 36 / 60 months, discounting of rentals may be considered up to 120 months (up to 180 months, applicable in case of point no. 2.e.) i.e. beyond the effective lease period subject to evaluation of the factors as given below: <ul style="list-style-type: none"> <li>- The lessee is a reputed corporate / PSU entity.</li> <li>- Financial of lessee are satisfactory.</li> <li>- The lease agreement provides option for further extension of lease.</li> <li>- If substantial amount is spent by the lessee on fit-outs, furnishing of rental premises, it may be good reason to presume that lease period would be extended further.</li> </ul> </li> </ul>

Frequently Asked Questions (FAQ) on MSME Scheme “Union Alankar”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Alankar?	<p>a. All the units engaged in Manufacturing, Trading &amp; Manufacturing and Trading activity i.e. Retail &amp; Wholesale Traders of GJD. (Accounts covered under any schematic scheme of bank like erstwhile Union Trade / Union Trade Plus / Union Trade GST (Now proposed MSME Suvidha) etc having maximum exposure of Rs. 10.00 crores and also accounts covered under CGTMSE scheme are out of purview of this scheme)</p> <p>b. No Loans/ Advances shall be granted against gold bullions/ silver bullions/ primary gold under scheme.</p> <p>c. The Eligible business entities for the scheme shall be: Individuals, Proprietorship, Partnership, LLP, Private Ltd Co and Public Limited Co.</p> <p>d. <b>New Connection:</b></p> <p>i. The borrower has to be a registered member of Gems and Jewellery Export Promotion Council of India (GJEPC) or other approved bodies / associations as applicable. (Membership of GJEPC is compulsory for borrowers engaged in Export and Import of GJD). It will be optional for the borrower engaged in Domestic business activity for registering with GJEPC. All the units should have all statutory approvals / NOCs from the respective department/authorities etc. as applicable. Also, unit under SEEPZ need not to register under GJEPC / local membership.</p> <p>ii. <u>Internal credit rating:</u> UBC 4 (UBC 3 for take over cases) or better.</p> <p>iii. <u>External Credit rating</u> to be done for limits above Rs 25.00 Crore and the minimum external rating should be ‘BBB’.</p> <p>iv. In case of both internal and external ratings are available, lower of the two shall be considered for pricing.</p> <p>v. Promoters should have a minimum experience of 5 years in the line of activity. However, the condition will not be applicable to: Units set up by an established group i.e. a group with 10 years of existence. Group should have track record of Net profit of minimum 3 years.</p> <p>vi. Unit to have earned Net Profit for last three years. (Not applicable for units as mentioned in para v above).</p> <p>vii. The banking arrangement should be either Sole Banking or under Consortium Banking.</p> <p>e. <b>Existing Connection</b></p> <p>i. Internal credit rating: UBC-5 or better.</p> <p>ii. <u>External Credit rating</u> to be done for limits above Rs 25.00 Crore and the minimum external rating should be ‘BBB’.</p> <p>iii. Enhancement should be capped at 25% of existing limit or upto Rs. 25.00 crores whichever is high. (Excluding Bill discounting limit against LC).</p> <p>iv. If the rating goes below UBC-5 or BBB (for exposure above Rs.25 crores) Bank may not normally consider enhancement.</p> <p>As far as possible fresh credit facilities should not be normally considered in any new account of a group/ sister concerns dealing with us, in case of sister/group concern falls under non-investment grade i.e. UBC6 and below to borrowers.</p>
2	What type of facilities can be sanctioned under the Scheme?	<p>Term Loan and / or Working Capital (Fund Based and Non-Fund Based) for the following purposes:</p> <ul style="list-style-type: none"> <li>- To fund need based Working Capital requirement.</li> <li>- Term Loan requirement for own business use, which is detailed as under: <ul style="list-style-type: none"> <li>a. Acquiring/Construction of Outlet, Expansion, Additions, Repairs &amp; Renovation of business premises or infrastructure.</li> <li>b. Purchase of equipment like Computers, air-conditioner, furniture &amp; fixtures, equipments, Weighing Scales and other fixed assets.</li> </ul> </li> </ul> <p>Any other purpose whereby asset is created out of bank’s finance for the</p>



		purpose of running the business.
3	What is the quantum of finance under Union Alankar?	<p>i. Minimum exposure to borrowers: Above Rs 10.00 lakh.</p> <p>ii. Maximum exposure to borrowers to be fixed, depending on the external rating</p> <p>BBB: Single Borrower: Rs. 150 crore &amp; Group Exposure: Rs. 300 crore</p> <p>A or better: Single Borrower: Rs. 250 crore, Group Exposure: Rs. 500 crore</p> <p>Unrated:Rs.25 crore</p> <p>iii. Existing exposures beyond Rs.100 crores, under multiple banking, shall be brought under Consortium. No further enhancements to be permitted in case the exposure continues as MBA.</p> <p>iv. Under this scheme, all new exposures beyond Rs.50 crore shall be considered under consortium lending only.</p> <p>v. In case of existing exposures exceeding the above exposure limit, enhancement shall not be considered. Existing exposure to be brought down to within limit in a phased manner as per time line decided by sanctioning authority on case to case basis. However, the same is not applicable if the account is externally rated at A+ &amp; above.</p> <p>Sectoral Limit: While sanctioning the limit, the prudential exposure limit for the sector/ industry as fixed by the Bank from time to time to be adhered.</p>
4	What is the margin requirement under this Scheme?	<p><u>Working Capital</u> :</p> <p><u>Stock</u>: 25% (For the borrowers engaged in only Domestic sales, Cash Credit limit up to 1 month of stocks of Jewellery to be allowed with a minimum margin of 25%).</p> <p><u>Book-Debts</u>: 25% Further, Maximum up to 30% (margin of 70%) of total receivables to be permitted towards Drawing Power w.r.t single buyer/buyer's group.</p> <p><u>Term Loan</u>: 35% in case of Term Loan for Acquiring/Construction of Outlet and 25% in other cases.</p>
5	Interest Rates & Other Charges	
	Rate of Interest	As per the extant interest rate guidelines or any other schematic scheme where account is covered like erstwhile Union Trade / Union Trade Plus / Union Trade GST (Now proposed MSME Suvidha) etc.
	Processing Charges	As applicable
	Documentation Charges	As applicable
	Other Service Charges	As applicable
6	Whether the proposal is to be rated as per credit rating norms?	As per extant guidelines.
7	Security	
	Primary Security:	All assets created out of Bank's finance shall be charged in favor of Bank by way of hypothecation / mortgage etc.
	Collateral Security:	The Collateral security is linked to Internal rating as under: Internal Rating: CR 1 & 2: Minimum 25% CR 3 & 4: Minimum 40% CR 5 : Minimum 50% Below CR 5: 75%

		<p>a. Existing customers not satisfying above criteria to comply with above stipulated collateral coverage requirement within reasonable timeframe. However, it should not exceed 12 months from date of renewal. (In cases where the stipulated collateral security is not provided, same will be treated as non-compliance of sanction terms and borrower to be charged penal interest accordingly).</p> <p>b. In case of rating downgrade upon review, the borrower may be given reasonable period to meet the collateral coverage requirement applicable to the revised rating. However, it should not exceed 12 months from date of renewal. (In cases where the stipulated collateral security is not provided, same will be treated as non-compliance of sanction terms and borrower to be charged penal interest accordingly).</p> <p>c. There may be situations where existing customers may not be conforming to the minimum collateral coverage requirement stipulated under the scheme at the time of Review/ Renewal. Similarly, there may be situations where existing customers may be required to provide additional collateral due to rating downgrade, such cases shall not be considered as deviation. The sanctioning authority may give reasonable time period to meet the collateral coverage requirement.</p> <p>d. Personal guarantee of promoters/promoter directors of Company / partners of the firm and of all mortgagors/ assignee/lien of collateral security is mandatory.</p>															
8	What is repayment schedule of the loans under Union Alankar	<p><b>Working Capital:</b> On Demand.</p> <p><b>Term Loan:</b> Maximum Door to Door repayment shall be 7 years including moratorium period not exceeding 12 months. Repayment will be in monthly installments. Interest shall be recovered separately as and when due.</p>															
9	What are the scheme codes under Union Alankar	Separate scheme code shall be conveyed separately.															
10	Any other covenants?	<p>➤ Interest coverage ratio* of not less than 2.60 for new limits and 1.75 for existing limits.</p> <p>*(Interest Coverage ratio: EBITDA/Interest), EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization.</p> <p>i. Direct Bills discounting shall be permitted for new borrowers with ECR of A or better.</p> <p>ii. In case of existing borrowers:</p> <table border="1"> <thead> <tr> <th>Internal Rating</th> <th>External Rating</th> <th>Maximum limit as a % of bill limit</th> </tr> </thead> <tbody> <tr> <td>UBC-1 to UBC-4</td> <td>BBB or better</td> <td>50%</td> </tr> <tr> <td>UBC-5/6</td> <td>BB or better</td> <td>40%</td> </tr> <tr> <td>UBC-7</td> <td>B or better</td> <td>10%</td> </tr> <tr> <td>UBC-8</td> <td>below B</td> <td>Nil</td> </tr> </tbody> </table> <p>iii. In case of mismatch between internal and external rating, worse of the two to be considered for setting limits for Direct Bills Discounting.</p> <p>iv. In case of existing units, timeline up to March 2020 for implementing above limits may be given.</p>	Internal Rating	External Rating	Maximum limit as a % of bill limit	UBC-1 to UBC-4	BBB or better	50%	UBC-5/6	BB or better	40%	UBC-7	B or better	10%	UBC-8	below B	Nil
Internal Rating	External Rating	Maximum limit as a % of bill limit															
UBC-1 to UBC-4	BBB or better	50%															
UBC-5/6	BB or better	40%															
UBC-7	B or better	10%															
UBC-8	below B	Nil															
	What are the Unique Selling Points for the Scheme Union Alankar?	Tailor made product for units in Gems and Jewellery sector.															

Frequently Asked Questions (FAQ) on MSME Scheme “Union Nari Shakthi”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union Nari Shakthi?	<p>a. Enterprises should be owned and managed by Women Entrepreneurs. Units with partner’s capital/ share capital in case of private/ public limited companies of minimum 51% with women shall be considered as units owned by women.</p> <p>b. Enterprises eligible to be classified under Micro, Small and Medium Enterprises as per prevailing guidelines for classification.</p> <p>c. Proprietorship, partnership concerns (including LLP), Limited Companies etc belonging to MSMEs.</p> <p>d. Units should have in place all necessary statutory approvals / NOCs from respective authorities.</p> <p>e. Credit Rating of the borrower should not be below UBI-5 in case of new connection and UBI-4 in case of takeover advances.</p> <p>f. Any deviation in take over norms shall be subject to norms prescribed in latest Loan Policy.</p> <p>All new as well as existing accounts can be covered under this scheme.</p>
2	What type of facilities can be sanctioned under the Scheme?	<ul style="list-style-type: none"> <li>Working Capital (Fund Based and / or Non Fund Based) Limits to meet working capital requirements.</li> <li>Term Loan for purchase/construction/renovation of factory/ offices / shop / godown or for purchase of plant &amp; machineries or other equipments.</li> </ul>
3	What is the quantum of finance under Union Nari Shakthi?	<ul style="list-style-type: none"> <li>Minimum - Rs. 2.00 Lacs</li> <li>Maximum - Rs. 200.00 Lacs</li> </ul>
4	What is the margin requirement under this Scheme?	<ul style="list-style-type: none"> <li>Minimum 5% margin for loans up to Rs 100.00 lakh</li> <li>Minimum 15% margin for loans above Rs 100.00 lakh</li> </ul>
5	Interest Rates & Other Charges	
	Rate of Interest	As per applicable interest to MSMEs
	Processing Charges	Nil
	Documentation Charges	As applicable
	Other Service Charges	As applicable
6	Whether the proposal is to be rated as per credit rating norms?	As per Bank’s Loan Policy
7	Security	
	Primary Security:	<ul style="list-style-type: none"> <li>In case of working capital limit, exclusive charge on stock and book debts.</li> <li>In case of term loan, exclusive charge on assets created out of bank finance.</li> </ul>
	Collateral Security:	<ul style="list-style-type: none"> <li>In case the exposure is covered under CGTMSE, no collateral security is to be obtained.</li> <li>In cases where the exposure is not covered under CGTMSE, minimum collateral to be 25% of the loan value of any nature acceptable to the bank.</li> <li>Personal guarantee of the partners / directors.</li> <li>Personal guarantee of property owner which is offered and accepted as collateral security.</li> </ul>
8	What is repayment schedule of the loans under Union Nari Shakthi	<ul style="list-style-type: none"> <li>Working Capital Limit is for a period of one year subject to renewal by competent authority on yearly basis on the basis of merit.</li> <li>Term Loan to be repaid in maximum 84 months including Moratorium period of Maximum 1 year.</li> </ul>
9	What are the scheme codes under Union Nari Shakthi	<ul style="list-style-type: none"> <li>Working Capital : CCUNS</li> <li>Term Loan : TLP09</li> </ul>

10	What are the Unique Selling Points for the Scheme Union Nari Shakthi?	A Specialised scheme for women beneficiaries with concessional terms.
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Frequently Asked Questions (FAQ) on MSME Scheme “Union e Way Bill”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union e Way Bill?	<p>a) All business enterprises irrespective of constitution will be eligible under the scheme.</p> <p>b) The borrower should be enjoying existing Fund Based Working Capital facility from our Bank.</p> <p>c) The existing borrower and having business of more than 2 years are eligible under the scheme.</p> <p>d) Income Tax Returns / GST Returns should have been filed for as per statutory requirement and prescribed timelines.</p> <p>e) This facility should be provided as a sub limit of existing WC facilities for discounting of non LC bills (the facility as of now is extended to existing assessed limits only).</p> <p>f) The invoices which can be validated using the Electronic-Way (E-Way) bill number and are accepted by the purchaser will only be eligible for financing under this scheme. The Standard Operating Procedure (SOP) for invoice validation is enclosed as Annexure-II.</p> <p>g) Any deviation in the eligibility criteria under the scheme shall be subject to prevalent / latest Loan Policy.</p>
2	What type of facilities can be sanctioned under the Scheme?	Financing of invoices not older than 3 months. Book Debts covered under this facility will not be covered under any other credit facility to avoid double financing.
3	What is the quantum of finance under Union e Way Bill?	The total limit to be sanctioned under this scheme should be within the assessed Fund based working capital limits. In case of existing accounts availing the finance under the proposed scheme, separate sub limits out of existing limits may be carved out.
4	What is the margin requirement under this Scheme?	The margin applicable to existing fund based working capital limits should be made applicable to this scheme.
5	Interest Rates & Other Charges	
	Rate of Interest	As per the applicable interest rates
	Processing Charges	Service charges as applicable for bills under non-LC to be followed.
	Documentation Charges	Service charges as applicable for bills under non-LC to be followed.
	Other Service Charges	Service charges as applicable for bills under non-LC to be followed.
6	Whether the proposal is to be rated as per credit rating norms?	As this facility is part of the total limit to be sanctioned under fund based working capital limit, the existing guidelines on credit rating to be followed.
7	Security	
	Primary Security:	Invoices drawn by suppliers duly accepted by the purchaser.
	Collateral Security:	As this facility is part of the total limit to be sanctioned under fund based working capital limit no separate/additional collateral is required to availment of this facility. The exiting collateral to continue.
8	What is repayment schedule of the loans under Union e Way Bill	Any delayed repayment by the purchaser beyond the due date will attract penal interest as per extant guidelines.
9	What are the scheme code / process code under Union e Way Bill	Branches / Offices to use VALINV menu in CBS as per annexure II.



10	What are the Unique Selling Points for the Scheme Union e Way Bill?	To ascertain the genuineness of away bill.
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Frequently Asked Questions (FAQ) on MSME Scheme “Union Standby Line of Credit”

Sl. No.	Query	Clarification														
1	Who are eligible for availing loans under Union Standby Line of Credit?	<p>a. All Existing MSME Units having limit up to Rs.5.00 Crore.</p> <p>b. Credit rating of the borrower should be CR-1/UBI-1 to CR-5/UBI-5 to be considered (in line with our investment grade).</p> <p>c. Accounts which are in standard category (including SMA) are eligible under the scheme.</p>														
2	What type of facilities can be sanctioned under the Scheme?	Demand Loan / WCDL to meet the temporary liquidity mismatch arising out of delayed realization of receivables, receipts of GST Inputs tax credits (including for Exports) and other Business requirements.														
3	What is the quantum of finance under Union Standby Line of Credit?	<p><b>a. Limit:</b></p> <p>i 25% of the existing working capital limit (FBWC + NFBWC) with a cap up to maximum amount of Rs. 1.25 Crore.</p> <p>ii Existing customers, who have availed sanctioned “SME PLUS”, can avail the “SLC for MSME under this scheme”, after repaying the earlier SME PLUS.</p> <p>iii CA certificate to be obtained certifying the outstanding receivables, amount of pending GST dues up to the month for which the returns have been filed.</p> <p>iv Chartered Accountant (CA) has to get the Unique Document Identification Number of the certificate issued through the UDIN Portal. This UDIN should be mentioned on the certificate issued by the CA and verified by the branch on UDIN portal (<a href="https://udin.icai.org">https://udin.icai.org</a>) by the Branch official.</p> <p><b>b. Disbursal &amp; Repayment</b></p> <p>i The borrower can avail the sanctioned amount in one go or in tranches. The entire loan under the scheme has to repaid within the maximum period of 12 months from the date of first disbursal or validity of sanction whichever is earlier.</p> <p>ii In case the limits are availed in tranches then the repayment /liquidation of the tranches should be 12 months from the date of first disbursal or validity of sanction whichever is earlier.</p> <p>iii Borrower may make early repayment.</p> <p>iv In case of early liquidation / repayment of the loan/ tranche borrower may be allowed to apply again to drawdown in one go or in tranches. However, the subsequent drawls should also be liquidated as above.</p> <p>c. The facility will be considered as an exposure on the borrower and guidelines stipulated under the RBI Prudential Norms shall be adhered to.</p> <p>d. The facility shall be made available as Fund Based Limit only.</p>														
4	What is the margin requirement under this Scheme?	<p>i For the proposed SLC for MSME margin will be nil.</p> <p>ii However margin for the existing limits will continue as per the sanctioned terms.</p> <p>iii The drawing power in respect of accounts where in Union SLC has been sanctioned shall be arrived as under:</p> <table border="1" data-bbox="718 1724 1412 2002"> <thead> <tr> <th>Particulars</th> <th>Amount (say)</th> </tr> </thead> <tbody> <tr> <td>Amount of Stock and Book Debts declared by the borrower as per stock statement(A)</td> <td>125</td> </tr> <tr> <td>Less: Outstanding in the proposed DL /WCDL under Union SLC (B)</td> <td>25</td> </tr> <tr> <td>Residual value of Stock &amp; Book Debts(A-B)</td> <td>100</td> </tr> <tr> <td>Less: Margin on stock and book debts as per original sanction (say @25%)(C)</td> <td>25</td> </tr> <tr> <td>Drawing power for regular CC limit (D=A-B-C)</td> <td>75</td> </tr> <tr> <td>Outstanding in the regular CC limit</td> <td></td> </tr> </tbody> </table>	Particulars	Amount (say)	Amount of Stock and Book Debts declared by the borrower as per stock statement(A)	125	Less: Outstanding in the proposed DL /WCDL under Union SLC (B)	25	Residual value of Stock & Book Debts(A-B)	100	Less: Margin on stock and book debts as per original sanction (say @25%)(C)	25	Drawing power for regular CC limit (D=A-B-C)	75	Outstanding in the regular CC limit	
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		Book debts above 90 days up to 270 days can be considered for calculation for DP for the existing working capital account, to whom SLC facility is being sanctioned. Such Debts should be of Government /Government Organizations/PSUs.
5	Interest Rates & Other Charges	
	Rate of Interest	<ul style="list-style-type: none"> <li>- 0.50% above the Applicable Cash Credit Rate of Interest.</li> <li>- Penal Interest as applicable to Cash Credit account will be charged, if not repaid within the stipulated period.</li> </ul>
	Processing Charges	Nil
	Documentation Charges	As applicable
	Other Service Charges	As applicable.
6	Whether the proposal is to be rated as per credit rating norms?	Since the scheme is for existing borrowers only, no separate rating is required for sanctioning the SLC.
7	Security	
	Primary Security:	Hypothecation of stocks and receivables. Extension of charge on the Primary Security.
	Collateral Security:	Extension of charge on the Collateral security <b>Guarantee:</b> Extension of existing Personal/Corporate guarantee of promoters/ concern/ group concerns/ guarantors, as applicable.
8	What is repayment schedule of the loans under Union Standby Line of Credit	<ul style="list-style-type: none"> <li>- <b>Working Capital:</b> Limit outstanding / disbursed should be adjusted within a maximum period of 12 months. Repayment is to be fixed as per cash flow of the unit, i.e. Monthly / Quarterly / Half yearly / Bullet repayment after 12 months.</li> </ul> (Penal interest provisions will be applicable for the limit sanctioned under Union SLC)
9	What are the scheme codes under Union Standby Line of Credit	<ul style="list-style-type: none"> <li>- "Union SLC" Label in FINACLE (being created by DIT)</li> <li>- Accounts are to be opened in scheme code TL001</li> </ul>
10	What are the Unique Selling Points for the Scheme Union Standby Line of Credit?	Product designed for meeting the temporary cash flow mismatches.

Frequently Asked Questions (FAQ) on MSME Scheme “Automated Invoice Funding”

Sl. No.	Query	Clarification						
1	Who are eligible for availing loans under Automated Invoice Funding?	<p><b>For OEM:</b></p> <ol style="list-style-type: none"> <li>Any Company engaged in manufacturing/processing of widely acceptable product/Involved in distribution of widely acceptable products such as retail chain etc.</li> <li>Proprietorship Concern/Partnership Firms, HUFs are <b>NOT</b> eligible under the scheme.</li> <li>Should have been in the field for a minimum period of <b>5</b> years.</li> <li>Should have minimum turnover of <b>Rs.100 crore</b> during the preceding <b>2</b> years.</li> <li>Shall have proven track record &amp; enjoying good market reputation</li> <li>Shall have well- knitted dealers /vendors’ network.</li> <li>Name of the OEM should not appear in the defaulter list of RBI/CIBIL/CRILC/CFR (Central Fraud Registry) etc.</li> <li>Existing credit limits, if any, enjoyed with other Banks/FI should be regular.</li> <li>Shall have distributed dividend during the preceding <b>5</b> years</li> <li>Shall Have positive Networkth.</li> <li>Shall have external credit rating of “A” and above</li> </ol> <p><b>For Dealer:</b></p> <ol style="list-style-type: none"> <li>Any business unit engaged in supply of inputs /raw materials / or distribution / sale of Finished products manufactured by OEMs.</li> <li>Should have been in the field for a minimum period of 3 years and earned profit Consistently for the preceding 2 years.</li> <li>Should have un-interrupted business relationship/vintage as a Vendor/Dealer with the OEM for a minimum period of 2 years. But if it is less than 2 years then prescribe additional security.</li> <li>Vendor/Dealer appointment/business relation should be in conformity with the policy/ Guidelines of the OEM.</li> <li>Dealer should not be in the defaulter list of OEM</li> <li>Shall have proven track record &amp; enjoying good market reputation</li> <li>Name should not appear in the defaulter list of RBI/CIBIL/CRILC/CFR (Central Fraud Registry) etc.</li> <li>Existing credit limits, if any, enjoyed with other Banks/FI should be regular.</li> <li>Should not have similar arrangement with any other banks/FI for the same OEM</li> <li>Shall not have any outstanding statutory dues.</li> <li>Financial position as per the latest audited financial statement shall be as under:</li> </ol> <table border="1"> <thead> <tr> <th>Net Worth</th> <th>Debt Equity Ratio</th> <th>Current Ratio</th> </tr> </thead> <tbody> <tr> <td>Positive</td> <td>Not exceeding 2:1</td> <td>Above 1.25:1</td> </tr> </tbody> </table>	Net Worth	Debt Equity Ratio	Current Ratio	Positive	Not exceeding 2:1	Above 1.25:1
Net Worth	Debt Equity Ratio	Current Ratio						
Positive	Not exceeding 2:1	Above 1.25:1						
2	What type of facilities can be sanctioned under the Scheme?	<ul style="list-style-type: none"> <li>➤ Revolving Bills/Hundi/Invoice discounting facility which is maintained and routed through CMS Branches of Corporation Bank.</li> <li>➤ Alternatively, running account in the form of Cash Credit (With operations limited to Invoice financing and without any manual transactions). Separate current account for day-to-day operations shall be opened.</li> <li>➤ Subject to review &amp; renewal every year</li> <li>➤ Dealer/Vendor Limit will be Maximum of Rs.50.00 Crores</li> </ul>						
3	What is the quantum of finance under Automated Invoice Funding?	Limit is to be arrived on last year turnover with OEM or projected turnover with OEM whichever is higher. i.e. Average sales per day * credit period						

		Original Equipment Manufacturer		Vendor /Dealer	
		Minimum	Maximum	Minimum	Maximum
		Rs. 5 crore	Rs.1000 crore	Above Rs.10 lakh	Rs.50 crores
4	What is the margin requirement under this Scheme?	Nil			
5	Interest Rates & Other Charges				
	Rate of Interest	<p>a. ROI will be decided based on the gradation (credit rating) of the dealer and for MSMEs rates as applicable for MSMEs shall be applicable subject to minimum of agreed rate of interest with OEM.</p> <p>b. 0.50% interest concession is available where at least 50% of the limit is secured by way of immovable/financial assets. 1% interest concession is available where at least 100% of the limit is secured by way of immovable/financial assets. The concession will be subject to minimum of MCLR/ EBLR/ Base Rate as applicable.</p> <p>c. In case the immovable property is owned by third party, the owner of the property shall join as guarantor.</p> <p>d. Any relaxations in sanction to OEM shall be approved by Sanctioning authority on case to case basis.</p> <p>e. Concession in Rate of Interest to Dealers/ Vendors shall be as per the prevailing policy on delegation of loaning powers.</p> <p>f. Overdue interest at 2% above the contracted rate + tax shall be charged for overdue period if repayment is made after the due date</p> <p>g. Sanctioning Authority may specify minimum charge per Invoice if the invoice size is low and tenor is also low (Towards recovery of cost of operations).</p> <p>h. The Interest will be collected upfront and any difference will be adjusted backend at the time of liquidation of the invoice.</p>			
	Processing Charges	0.25% of limit + GST subject to minimum of Rs.5000/- Plus GST & maximum of Rs.50000/- Plus GST to be collected at the time of initial sanction and also at the time of renewal every year. No other charges such as Commission/Discount /Folio/Review etc., shall be levied.			
	Documentation Charges	Nil			
	Other Service Charges	Nil			
6	Whether the proposal is to be rated as per credit rating norms?	As applicable			
7	Security				
	Primary Security:	Hypothecation of merchandise under the bill financed.			
	Collateral Security:	To be negotiated with the (Original Equipment Manufacturer) OEM.			
8	What is repayment schedule of the loans under Automated Invoice Funding	Revolving facility where bills financed are to be repaid as per tenor.			
9	What are the system modalities under Automated Invoice Funding	From the date of amalgamation the scheme shall be applicable only for the select 14 CMS Branches of Corporation Bank			
10	What are the Unique Selling Points for the Scheme Automated Invoice Funding?	End to end solution for supply chain financing through digital mode.			



Frequently Asked Questions (FAQ) on MSME Scheme “Standup India”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Standup India?	a. Scheduled Caste (SC) or Scheduled Tribe (ST) borrower or woman borrower, above 18 years of age, for setting up a Greenfield enterprise indulged in manufacturing, service or trading activity. b. In case of non-individual enterprises, at least 51% of the shareholding and controlling stake should be held by either a SC/ST or Women Entrepreneur. c. Borrower should not be in default to any Bank/ financial institution. d. Loans for enterprises in ‘Activities allied to agriculture’ e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, , fishery, agrclinic and agribusiness centres, food & agro-processing etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the scheme.
2	What type of facilities can be sanctioned under the Scheme?	a. The facility shall be extended in the form of composite loan i.e., Term loan to meet the requirement of assets such as Plant & Machinery or Working capital to meet the working capital expenses or Both. b. A Rupy card will be issued to enable operation of the working capital component.
3	What is the quantum of finance under Standup India?	Rs. 10.00 lakhs to Rs. 100.00 lakhs
4	What is the margin requirement under this Scheme?	The scheme envisages margin money of 15% of the project cost. However, subsidy provided by State / Central Govt may be treated as margin money subject to borrower bring in minimum of 10% of the project cost as own contribution.
5	Interest Rates & Other Charges	
	Rate of Interest	Applicable Rate of interest as per credit rating
	Processing Charges	As applicable
	Documentation Charges	As applicable
	Other Service Charges	As applicable
6	Whether the proposal is to be rated as per credit rating norms?	Yes, Credit Rating is to be done.
7	Security	
	Primary Security:	Charge on the assets created out of finance.
	Collateral Security:	Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Scheme for Stand up India (CGSSI)
8	What is repayment schedule of the loans under Standup India	Term loan is repayable in 7 years including maximum moratorium period of 18 months. Working Capital Loans: On Demand.
9	What are the scheme codes under Standup India	No specific scheme code. Accounts under Standup India are to be flagged with “Standup India”.
10	What are the Unique Selling Points for the Scheme Standup India?	Scheme devised to drive the Govt. scheme Standup India Scheme.

MSME DEPARTMENT  
CENTRAL OFFICE, MUMBAI

Frequently Asked Questions (FAQ) on MSME Scheme “Union General Credit Card”

Sl. No.	Query	Clarification
1	Who are eligible for availing loans under Union General Credit Card?	<ol style="list-style-type: none"> <li>The applicant should be of the minimum age of 21 years and maximum age of 55 years.</li> <li>The applicant should be permanent resident of the command area of the branch which can be verified with ration card or any other documentary proof such as voter's list, electoral identity card etc.</li> <li>The applicant should be an existing customer of our Bank having dealings for at least 1 year.</li> <li>The applicant should have adequate repayment capacity.</li> <li>The applicant should not be defaulter of any other Bank/Financial Institutions/our Bank.</li> <li>Branch Manager may invite references from other valued clients/persons located in the customer's neighbourhood.</li> <li>Only one person per family to be issued the general Credit Card.</li> <li>No other family members of the applicant should be defaulter/NPA account holder of our Bank or other Banks.</li> <li>The applicant should not have availed any other loan and /or credit card from our Bank.</li> </ol>
2	What type of facilities can be sanctioned under the Scheme?	Over draft
3	What is the quantum of finance under Union General Credit Card?	Maximum loan up to Rs. 50,000/- based on the repayment capacity of the borrower.
4	What is the margin requirement under this Scheme?	Nil
5	Interest Rates & Other Charges	
	Rate of Interest	BR+4.50% (i.e.14.75%)
	Processing Charges	Nil
	Documentation Charges	Nil
	Other Service Charges	Nil
6	Whether the proposal is to be rated as per credit rating norms?	Not applicable as the ticket size is up to Rs. 50,000/- only
7.	Primary Security:	Hypothecation of assets procured under the credit card.
	Collateral Security:	Not to be insisted upon.
8	What is repayment schedule of the loans under Union General Credit Card	To be repaid in a maximum period of 60 months
9	What are the scheme codes under Union General Credit Card	All Loans sanctioned has to be classified under the scheme code of 'Union General Credit Card'-UGCC under Micro Enterprises. Finacle code for OD/CC is ODGCC and Term Loan is TLP08.
10	What are the Unique Selling Points for the Scheme Union General Credit Card?	Simplified scheme for enhancing the credit flow to micro sector.

MSME DEPARTMENT  
CENTRAL OFFICE, MUMBAI

Frequently Asked Questions (FAQ) on MSME Scheme “Union Equipment Finance for Contractors”

Sl. No.	Query	Clarification												
1.	Who are eligible for availing loans under Union Equipment Finance for Contractors ?	<p>a. MSME Contractors (irrespective of constitution) availing Working capital (FB/NFB) limits from our Bank.</p> <p>b. MSME should be in business for minimum 2 years.</p> <p>c. Borrowers should have in place all necessary statutory licenses / NOCs from respective authorities, as required.</p> <p>d. Unit must be profit making and the existing facilities availed from our Bank shall not be under SMA category as on date of sanction. Account should not be SMA-2 (Loan Default) during last 12 months.</p> <p>e. Credit rating of the account should not be below UBI/CR-5.</p>												
2.	What type of facilities can be sanctioned under the Scheme?	Term Loan. [Sanction of front ended LC can also be considered in case of import of equipment]												
3.	What is the quantum of finance under Union Equipment Finance for Contractors ?	Fresh sanction net of outstanding limit under the scheme should not exceed 20% of sanctioned WC limit or Rs.25 crore whichever is lower at any time (Term Loan / Import LC - Capital Goods)												
4.	What is the margin requirement under this Scheme?	Minimum 5% on the cost of the equipment along with DSRA of 3 months else margin will be 10%. Bank will finance for Ex-showroom Price, including GST, Insurance and Registration.												
5.	Interest Rates & Other Charges													
	Rate of Interest	<table border="1"> <thead> <tr> <th>Credit Rating</th> <th>Micro &amp; Small</th> <th>Medium</th> </tr> </thead> <tbody> <tr> <td>UBI/CR-1</td> <td rowspan="3">EBLR+0.50%</td> <td rowspan="3">EBLR+1.00%</td> </tr> <tr> <td>UBI/CR-2</td> </tr> <tr> <td>UBI/CR-3</td> </tr> <tr> <td>UBI/CR-4</td> <td rowspan="2">EBLR+1.00%</td> <td rowspan="2">EBLR+1.50%</td> </tr> <tr> <td>UBI/CR-5</td> </tr> </tbody> </table>	Credit Rating	Micro & Small	Medium	UBI/CR-1	EBLR+0.50%	EBLR+1.00%	UBI/CR-2	UBI/CR-3	UBI/CR-4	EBLR+1.00%	EBLR+1.50%	UBI/CR-5
	Credit Rating	Micro & Small	Medium											
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	UBI/CR-2													
	UBI/CR-3													
UBI/CR-4	EBLR+1.00%	EBLR+1.50%												
UBI/CR-5														
Processing Charges	Processing Charges: 50% of applicable charges. Other Charges: As Applicable.													
Other Charges	As Applicable													
6.	Security	<p>Primary: Hypothecation of the equipment to be purchased. Collateral: Nil (Extension of charge on existing security need not be insisted upon)</p> <p>In lieu of extension of security &amp; CGTMSE coverage, an undertaking letter from the borrower to be obtained consenting that securities held by the bank for existing credit facilities shall not be released till the credit facilities sanctioned under equipment finance scheme is fully repaid. An undertaking letter to be obtained in this regard and made part of the security documents.</p>												
7.	What is repayment schedule of the loans under Union Equipment Finance for Contractors?	<p>a. Repayable in maximum 60 Equated monthly installment (EMI) starting from next month of disbursement. (Repayment to be ascertained based on the age of the equipment). However, sanctioning authority may consider for tenor upto 84 months on case to case basis depending on economic life of the equipment.</p> <p>b. Maximum moratorium of 3 months may be considered within the Union Equipment Finance Page 2 of 4 S. No. Parameter Guidelines overall tenor depending on the nature of assets created.</p>												

		c. Modification in EBLR to be adjusted in last EMI. d. Borrower to plan disbursement of minimum 3 months and separate EMI account to be opened for each tranche of 3 months.
8.	What are the scheme codes under Union Equipment Finance for Contractors?	UEQPF
9.	What are the Unique Selling Points for the Scheme Union Equipment Finance for Contractors?	To fulfil the captive requirements of contractor for purchasing Commercial Equipment, Commercial Vehicle required in execution of contract allotted.

