



MOU Signing Ceremony

Union Bank of India &

Chamber of Indian Micro Small And Medium Enterprises

To Support MSMEs

Mumbai || November 01, 2022



Left To Right

Vikram Singh (Advisor, CIM SME), Subhash Joinwal (Director, CIM SME), Mukesh Mohan Gupta (President, CIM SME), Chander Mohan Minocha (Chief General Manager, MSME & Small Corporate Vertical, Union Bank of India Central Office Mumbai), Arun Kumar (General Manager, MSME, Union Bank of India, Central Office Mumbai), Sunil Ahuja (Deputy General Manager MSME, Union Bank of India, Central Office Mumbai).



MOU IS SIGNED BY THE PRESIDENT OF CIMSME AND TOP EXECUTIVES OF **UNION BANK OF INDIA** AT THEIR CORPORATE OFFICE, MUMBAI



Chamber of Indian Micro, Small and Medium Enterprise (CIMSME), New Delhi has executed Memorandum of Understandings (MOUs) with Union Bank of India at Mumbai on 1st November'2022.

The MOU is signed by the President of CIMSME and Top Executives of Union Bank of India at their Corporate Office, Mumbai in the presence of other officials of Banks and CIMSME. It's a first initiative of its kind to promote and support to MSME sector jointly by the Banks and Chamber of Indian MSME.

As per MOU, CIMSME will share business leads with the Banks relating to financial assistance required by the MSME applicants across India. The loan application will be forwarded by CIMSME to the Bank after due diligence and vetting of the proposal. However, the final decision for sanction or rejection of the proposal will vests with the respective Banks.

CIMSME will also provide handholding to the MSME/StartUps applicants for filling up the application form and completion of necessary formalities for availing the financial support from the Banks. CIMSME is also in the process to sign the MOUs with other PSBs/ Pvt Banks. CIMSME is very optimistic that this initiative will be very helpful to the MSME sector for their business growth and banks will also get quality proposal which will be instrumental in achieving the Priority Sector target allotted to each bank.

WHY MOU IS IMPORTANT

MOU execution between Banks and CIMSME will support in structured financing to the MSME sector as per schemes issued by the Govt/Respective Banks and operating units of the Banks will get confidence that the proposal is received through a proper channel which is duly vetted and prima facie is in order.

What will be a support available to MSME through MOU

Its contained in the MOU that CIMSME will provide handholding to the applicants for filling up the application, submission of required documents alongwith loan application as per check list of each bank for faster disposal of the application. We may also provide support to MSME for preparation of project report, financial statement, write up on the industry, comparative study vis a vis other players and bank's specific requirements.

Top reasons for rejection of loan applications

- a) Application is not filled up properly
- b) Financials of the unit are not supporting to avail the loan
- c) Lack of awareness about the industry and its future
- d) Projections of sales or profitability is shown very exorbitant which are not matching in the same industry
- e) Required documents are submitted in piece meal with considerable delay
- f) Bank's queries are not attended properly and satisfactory reply is not submitted in time
- g) Source of margin money, if any is not reflected in the proposal
- h) Lack of experience
- i) Sufficient amount of collateral security is not offered as per requirements of the Bank



