

# Union Bank to up MSME lending

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In an effort to help micro, small and medium enterprises (MSMEs) deal with the credit squeeze and economic slowdown, Union Bank of India has decided to raise lending limit to the segment.

The bank will provide credit to the sector on easy terms and also reduce the processing time of proposals considerably.

Union Bank will up lending to the sector to 20 per cent of its total advances from the current level of 16 per cent.

“Our total advances to MSMEs now stands at Rs 13,884 crore out of Rs 85,506 crore, which is over 16 per cent,” the bank’s General Manager S S Ghugre said.

He maintained that there was no dearth of funds for MSMEs despite the slowdown and the bank was targeting to grow by 30 per cent in the segment. “MSME is the country’s growth engine contributing 40 per cent of our industrial output and producing 8,000 products,” he added.

The bank has upgraded 100 pan-India branches as specialised business banking units to focus on the sector. Uttar Pradesh has nine such branches at Lucknow, Kanpur, Varanasi, Bhadohi, Orai, Meerut, Moradabad, Muzaffarnagar and Allahabad.