

## Rate of Interest for MSME Loans

### ANNEXURE: I

#### CARD RATES FOR ADVANCES

1. Rate of Interest = Benchmark Rate\* + Spread (Credit Risk Premium + Business Strategy Premium)

\* For MSME Borrowers: EBLR

& For Non-MSME Borrowers: MCLR

2. For Micro, Small and Medium Enterprises (MSME) Borrowers

**Table A: Spread for exposure up to ₹ 50.00 Lakh**

Amount Category	Up to ₹ 50,000	> ₹ 50,000 up to ₹ 2.00 Lakh	> ₹ 2.00 Lakh up to ₹ 10.00 Lakh	> ₹ 10.00 Lakh up to ₹ 50.00 Lakh
Spread	1.50%	1.75%	2.75%	2.25%

**Table B: Spread for Exposure above ₹ 50.00 lakh and up to ₹ 5.00 Crore**

Internal Rating (IR)	Spread
CR1	0.50%
CR2	0.75%
CR3	1.75%
CR4	2.00%
CR5	3.50%
CR6	6.85%
CR7	6.95%
CR8-CR10	7.05%

**Table C: Spread for MSME Exposure above ₹ 5.00 Crore**

INTERNAL RATING (IR)	Spread								
	> ₹ 5 Crore up to ₹ 25 Crore	> ₹ 25 Crore up to ₹ 50 Crore	> ₹ 50 Crore					BB & Below	Unrated
			AAA A1+	AA A1	A A2	BBB A3			
CR1	1.30%	1.30%	0.55%	0.80%	1.05%	1.50%	2.80%	1.70%	
CR2	1.55%	1.55%	0.60%	0.90%	1.20%	1.65%	2.95%	1.85%	

Classification: Internal

CR3	2.00%	2.00%	0.70%	1.10%	1.50%	1.95%	3.25%	2.15%
CR4	3.00%	3.00%	0.75%	1.35%	2.00%	2.45%	3.70%	2.65%
CR5	4.90%	4.90%	2.45%	2.70%	2.95%	3.40%	4.65%	3.60%
CR6	5.75%	5.75%	3.15%	3.35%	3.65%	4.10%	5.30%	4.30%
CR7	5.85%	5.85%	3.25%	3.45%	3.75%	4.20%	5.40%	4.40%
CR8-CR10	5.95%	5.95%	3.35%	3.55%	3.85%	4.30%	5.50%	4.50%

**Table D: Additional Credit Risk Premium for Term Loans**

Additional credit risk premium for Term Loans over 1 year will be applicable above card rate for loans above ₹ 25.00 lakh for MSMEs based on the period of advances at the time of sanction. The additional credit risk premium is as follows:

<b>Additional Credit Risk Premium</b>				
<b>Total Term of Loan (Incl. Moratorium)</b>	<b>Greater than 1 yr &amp; upto 3 yrs</b>	<b>Greater than 3 yrs &amp; upto 5 yrs</b>	<b>Greater than 5 yrs &amp; upto 10 yrs</b>	<b>Greater than 10 yrs</b>
<b>Additional Credit Risk Premium</b>	0.10%	0.25%	0.50%	1.00%

- The additional credit risk premium added to longer term loans should be mentioned in the sanction advice.
- For Commercial Real Estate exposure (other than CRE-RH) a risk premium of 50 bps shall be added (both in case of Working capital and Term Loan Facility) irrespective of credit exposure and in addition to the above additional credit risk premium rates.

**Table E: Collateral Based Concession**

The details of collateral-based concession are as follows:

<b>Collateral Coverage in terms of Land /Building and Liquid Assets of Loan Accounts</b>				
<b>Collateral Coverage</b>	<b>Less Than 50%</b>	<b>50% to below 100%</b>	<b>100% to below 150%</b>	<b>150% and above</b>
<b>Discount to be given</b>	0.00	0.10%	0.25%	0.50%

- i. The card rates shall be arrived after considering the concession detailed in table E. Any further concession over and above the card rates (including collateral based concession) shall be as per the delegation defined in extant policy on delegation of loaning powers.
- ii. Further, there shall also be no change in the existing delegation of loaning powers for granting concession in rate of interest.

**ANNEXURE: II****Scheme Specific Advances: MSME**

S. No.	Schemes	Rate of Interest
1.	Union MSME Suvidha	Refer below (**Inclusive of additional credit risk premium.

Loans above ₹ 10.00 lakh to ₹ 50.00 lakh

Security coverage in terms of land, building and liquid assets of loan amount	
Minimum 75% & up 100%	Above 100%
Spread Over & above EBLR	
1.35	1.25

Loans above ₹ 50.00 Lakh and up to ₹ 5 Crore

Internal Rating	Security coverage in terms of land, building and liquid assets of loan amount		
	Minimum 75% & below 100%	Minimum 100% & below 150%	150% & above
	Spread over EBLR		
CR1	0.40	0.25	0.20
CR2	0.50	0.40	0.30
CR3	0.60	0.45	0.35
CR4	0.65	0.50	0.40
CR5	1.15	1.00	0.70

Loans above ₹ 5 Crore up to ₹ 50 Crore

Internal Rating	(security coverage >50% & up to 75% security coverage in terms of land, building and liquid assets of loan amount)
CR1	0.45
CR2	0.55
CR3	0.70
CR4	0.85
CR5	1.45

Additional Concession for loans above ₹ 5 Crore, with higher security coverage, subject to not below EBLR

Security Coverage	Additional Concession
> 75% & up to 100 %	0.20%
> 100% & up to 150 %	0.40%
>150 %	0.60%

In case of OD facility, ROI shall be 25 bps (0.25%) over & above the applicable ROI.

2.	Union Nari Shakti**	Refer below for details
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**A. Loans above Rs.2.00 Lacs to Rs.50.00 Lacs**

Particulars	Spread over EBLR
₹ 2.00 lakh to ₹ 50 lakh	2.25

**B. Loans above Rs.50.00 Lacs and up to Rs.25.00 Crore: As under**

Loan Amt. →	Covered under CGTMSE/Hybrid or Otherwise			Covered by Collateral	
	Loan Amount above Rs. 50 lakhs up to Rs.1.00 Crore	Amt. above Rs.1.00 Cr up to Rs.10.00 Cr	Loan Amount above Rs. 10.00 Crore (Hybrid with 25% Collateral)	Loan Amount above Rs. 5.00 Crore	
Internal Rating	Spread over EBLR			Spread over EBLR	
				50% Collateral	*75% Collateral
CR/UBC 1	1.50	1.00	0.75	0.75	0.60
CR/UBC 2	1.75	1.25	1.00	1.00	0.70
CR/UBC 3	2.00	1.50	1.25	1.25	0.80
CR/UBC 4	2.25	1.75	1.50	1.50	0.85
CR/UBC 5	2.50	2.00	1.75	1.75	1.35

\*Borrowers covered under CGTMSE up to Rs.5.00 Crore and offering 75% collateral for the amount exceeding Rs.5.00 Crore are also eligible for these rates.

**C. Loans above Rs.25.00 Crore and up to Rs.50.00 Cr**

Internal Rating	Spread over EBLR
CR/UBC 1	0.75
CR/UBC 2	1.00
CR/UBC 3	1.25
CR/UBC 4	1.75
CR/UBC 5	2.00

- Additional Concession of 30 bps can be extended to borrowers offering minimum 75% collateral for loans above Rs.25 Crores and up to Rs.50 Crore

**D. Loans Above Rs.50.00 Crore**

INTERNAL RATING (IR)	External Rating (BBB & above)			External Rating BB & unrated*		
	Min 25% Collateral**	Min 50% collateral	Min 75% Collateral	Min 25%** Collateral	Min 50% collateral	Min 75% Collateral
	Spread Over EBLR			Spread Over EBLR		
CR1	0.50	0.35	0.25	0.55	0.50	0.35
CR2	0.60	0.45	0.35	0.80	0.70	0.50
CR3	0.70	0.55	0.40	0.90	0.80	0.60
CR4	0.85	0.70	0.55	0.95	0.85	0.70
CR5	1.35	1.25	0.80	1.50	1.35	1.05

\*\*Minimum 25% collateral for exposure beyond CGTMSE Ceiling

\*Accounts unrated during the time of the sanction are to be mandatorily rated within 3 months with minimum rating of “BB”. If otherwise, the borrower is not eligible for concessional ROI under this Scheme. This condition to be made part of the sanction letter invariably.

S. No.	Schemes	Rate of Interest	
3.	Union Professional		
		MSMEs	Others
		EBLR + 2.85%	MCLR + 2.85%
4.	Union Ayushman Plus	Refer below for details	

Loan Amount	Spread over EBLR (in %) (MSME)	Spread over MCLR (in %) (Non-MSME)
Up to ₹ 25 lakh	0.25	0.25
Above ₹ 25 lakh to ₹ 50 lakh	1.00	1.00

### MSMEs

**For Loan above ₹ 50 lakh up to ₹ 25.00 Crore (Spread over EBLR)**

Internal Rating (IR)	Micro		Small		Medium	
	Above ₹ 50 Lakh upto ₹ 1 Cr	Above ₹ 1 Cr upto ₹ 25 Cr	Above ₹ 50 Lakh upto ₹ 1 Cr	Above ₹ 1 Cr upto ₹ 25 Cr	Above ₹ 50 Lakh upto ₹ 1 Cr	Above ₹ 1 Cr upto ₹ 25 Cr
	Spread over EBLR					
CR1	0.25	0.25	0.25	0.50	0.25	0.50
CR2	0.25	0.50	0.25	0.75	0.25	0.75
CR3	0.25	0.75	0.50	1.00	0.50	1.00
CR4	0.75	1.00	1.00	1.00	1.00	1.00
CR5	1.25	1.75	1.50	2.00	1.50	2.00

**For Loan above ₹ 25.00 Crore up to ₹ 50.00 Crore (Spread over EBLR)**

Internal Rating (IR)	MSME
	Above ₹ 25 Cr upto ₹ 50 Cr
CR1	0.50%
CR2	0.75%
CR3	1.00%
CR4	1.25%
CR5	2.00%

**Loans Above ₹ 50.00 Crore (Spread over EBLR)**

(Where Internal Rating and External Rating applicable)												
Internal Rating (IR)	Micro & Small						Medium					
	AAA	AA	A	BBB	BB & below	Un-rated	AAA	AA	A	BBB	BB & Below	Un-rated
	A1+	A1	A2	A3	A4 & below		A1+	A1	A2	A3	A4 & below	

Classification: Internal

CR1	0.25	0.25	0.25	0.25	0.50	1.00	0.25	0.25	0.25	0.50	0.75	1.00
CR2	0.25	0.25	0.25	0.50	1.00	1.00	0.25	0.25	0.25	0.75	1.00	1.00
CR3	0.25	0.25	0.25	0.75	1.00	1.00	0.25	0.25	0.50	1.00	1.00	1.00
CR4	0.25	0.25	0.50	1.00	1.00	1.00	0.25	0.50	0.75	1.00	1.00	1.00
CR5	0.50	0.75	1.00	1.50	2.00	2.25	0.75	1.00	1.25	1.75	2.25	2.50

### Non-MSMEs

For Loan above ₹ 50 lakh (Spread over MCLR)

Internal Rating (IR)	Above ₹ 50.00 lakh up to ₹ 25.00 Cr	Above ₹ 25.00 Cr up to ₹ 50.00 Cr	Above ₹ 50 Crore (Internal Rating & External Rating Applicable)						Unrated
			AAA	AA	A	BBB	BB & below	Unrated	
			A1+	A1	A2	A3	A4 & below		
CR1	0.65	0.65%	0.25	0.25	0.25	0.90	1.00	1.00	
CR2	0.90	0.90%	0.25	0.25	0.50	1.00	1.00	1.00	
CR3	1.00	1.00%	0.50	0.75	1.00	1.00	1.00	1.00	
CR4	1.00	1.25%	0.75	1.00	1.00	1.00	1.00	1.00	
CR5	2.30	2.30%	1.25	1.50	1.75	2.25	2.75	3.00	

S. No.	Schemes	Rate of Interest
5.	Union Start-Up	1% less than the Card Rates (Annexure I) for advances subject to minimum EBLR.  (The ROI is inclusive of additional credit risk premium)
6.	Union Progress	As per the 'Card Rates for advances' - Annexure I
7.	Union Mudra	As per the 'Card Rates for advances' - Annexure I
8.	Stand-Up India	As per the 'Card Rates for advances' - Annexure I
9.	Union Parivahan	As per the 'Card Rates for advances' - Annexure I
10.	Union Alankaar	As per the 'Card Rates for advances' - Annexure I

S. No.	Schemes	Rate of Interest					
11.	Union MSME Superfast (Union GST Gain)	Amount		Spread over EBLR (in %)			
		Up to ₹ 25 lakh		1.10			
		Above ₹ 25 lakh to ₹ 50.00 lakh		1.25			
		<b>For Loan above ₹ 50 lakh</b>					
		Credit Rating		Spread over EBLR (in %)			
		CR1		0.85 %			
		CR2		1.10 %			
		CR3		1.10 %			
		CR4		1.35%			
		12.	Union LAP (Union Liqui Property)	Amount	Spread over EBLR (in %) (MSME)	Spread over MCLR (in %) (Non-MSME)	
				Up to ₹ 25 lakh	2.25%	2.90%	
Above ₹ 25 lakh to ₹ 50.00 lakh	2.25%			2.50%			
<b>For Loan above ₹ 50 lakh</b>							
Rating	Micro			Small	Medium	Others	
	Spread over EBLR (in %)			Spread over MCLR (%)			
CR1	2.00			2.25	2.50	2.90	
CR2	2.00			2.25	2.50	2.90	
CR3	2.00			2.25	2.50	2.90	
CR4	3.00			3.25	3.50	3.90	
CR5	3.00			3.25	3.50	3.90	
CR 6 & below	3.50	3.75	4.00	4.40			
13.	Union Rent**	Refer below for details					

\*\*Inclusive of additional credit risk premium.

**For accounts up to ₹ 5.00 Crore**

Period	MSME (Spread over EBLR)		Other than MSME (Spread over MCLR)	
	CRE	Non-CRE	CRE	Non-CRE
up to 3 years	4.90%	3.90%	4.90%	3.90%
Above 3 years	5.15%	4.15%	5.15%	4.15%

Consumer Category	MSME (Spread over EBLR)		Other than MSME (Spread over MCLR)	
	CRE	Non-CRE	CRE	Non-CRE
Landlords of our Branch/Offices premises	3.00%	2.00%	3.00%	2.00%
Owner of property who have rented the same to Public Sector Banks, Private Bank & Government Departments	3.00%	2.00%	3.00%	2.00%
For accounts with minimum external rating of BBB	3.30%	2.30%	3.30%	2.30%

**Note:** The above rates will also be applicable for accounts with limit of ₹ 5.00 crore and above with score less than or equal to 40.

**For accounts above ₹ 5.00 Crore**

MSME					
Period	Score greater than 80	Score greater than 70 & upto 80	Score greater than 60 & up to 70	Score greater than 50 & upto 60	Score greater than 40 & upto 50
<b>CRE: Spread over EBLR</b>					
Upto 3 years	0.95%	1.45%	1.95%	2.45%	2.95%
> 3 years	1.20%	1.70%	2.20%	2.70%	3.20%
<b>Non- CRE: Spread over EBLR</b>					
Upto 3 years	0.45%	0.95%	1.45%	1.95%	2.45%
> 3 years	0.70%	1.20%	1.70%	2.20%	2.70%

Other than MSME					
Period	Score greater than 80	Score greater than 70 & upto 80	Score greater than 60 & upto 70	Score greater than 50 & upto 60	Score greater than 40 & upto 50
<b>CRE: Spread over MCLR</b>					
Upto 3 years	0.65%	1.15%	1.65%	2.15%	2.65%
> 3 years	0.90%	1.40%	1.90%	2.40%	2.90%
<b>Non- CRE: Spread over MCLR</b>					
Upto 3 years	0.15%	0.65%	1.15%	1.65%	2.15%
> 3 years	0.40%	0.90%	1.40%	1.90%	2.40%

S. No.	Schemes	Rate of Interest			
14.	Union General Credit Card	MSMEs		Others	
		EBLR+4.75%		MCLR + 4.65%	
15.	Union Solar	Amount	Spread over EBLR (in %)	Spread over MCLR (in %)	
		Up to ₹ 25 lakh	0.50	0.50	
		Above ₹ 25 lakh to ₹ 50.00 lakh	0.75	0.75	
		Loan Amount	Credit Rating	Spread over EBLR (in %)	Spread over MCLR (in %)
		Above ₹ 50.00 Lakh	UBI/CR-1	0.50	0.50
			UBI/CR-2	0.55	0.55
			UBI/CR-3	0.65	0.65
			UBI/CR-4	0.80	0.80
			UBI/CR-5	1.00	1.00
		(The ROI is inclusive of additional credit risk premium)			
16.	Union Equipment Finance	Amount	Spread over EBLR (in %)	Spread over MCLR (in %)	
		Up to ₹ 25 lakh	1.00	1.00	
		Above ₹ 25 lakh to ₹ 50.00 lakh	0.65	0.50	
		Loan Amount	Credit Rating	Spread over EBLR (in %)	Spread over MCLR (in %)
		Above ₹ 50.00 Lakh	UBI/CR-1	0.50	1 Yr MCLR
			UBI/CR-2		1 Yr MCLR
			UBI/CR-3		0.25
			UBI/CR-4	0.75	0.25
			UBI/CR-5	1.00	1.00
		(The ROI is inclusive of additional credit risk premium)			
17.	Union Contractor	Amount	Spread over EBLR (in %)		
		₹ 10.00 lakh to ₹ 25 lakh	1.13		
		Above ₹ 25 lakh to ₹ 50.00 lakh	1.40		

Classification: Internal

S. No.	Schemes	Rate of Interest
		Refer below for details

**For loan amount above ₹ 50.00 lakh to ₹ 50.00 Crore**

Loan Amount	Internal Rating	Micro (Spread over EBLR)	Small & Medium (Spread over EBLR)
Above ₹ 50.00 lakh to ₹ 1.00 crore	CR 1	0.90	1.00
	CR 2	1.00	1.10
	CR 3	1.10	1.25
	CR 4	1.40	1.50
	CR 5	1.60	1.75
Loan Amount	Internal Rating	Micro (Spread over EBLR)	Small & Medium (Spread over EBLR)
Above ₹ 1.00 crore to ₹ 25.00 crore	CR 1	1.10	1.25
	CR 2	1.25	1.40
	CR 3	1.40	1.50
	CR 4	1.60	1.75
	CR 5	1.90	2.00

**For loan amount above ₹ 25.00 crore to ₹ 50.00 Crore**

Internal Rating	Micro & Small (Spread over EBLR)	Medium (Spread over EBLR)
CR 1	0.50	0.60
CR 2	0.75	0.85
CR 3	1.00	1.10
CR 4	1.50	1.60
CR 5	2.00	2.10

S. No.	Schemes	Rate of Interest																																										
18.	Union Textile	<table border="1"> <thead> <tr> <th>Amount</th> <th>Spread over EBLR (in %)</th> </tr> </thead> <tbody> <tr> <td>₹ 25.00 lakh to ₹ 50 lakh</td> <td>0.65</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5">Spread over EBLR</th> </tr> <tr> <th rowspan="2">Rating</th> <th rowspan="2">Above 50.00 lakh to 50.00 Crore</th> <th colspan="3">Above 50.00 crore or where external rating is applicable</th> </tr> <tr> <th>A- &amp; above</th> <th>BBB -/+</th> <th>BB -/+ and below</th> </tr> </thead> <tbody> <tr> <td>CR1</td> <td>0.10</td> <td>EBLR</td> <td>0.10</td> <td>0.20</td> </tr> <tr> <td>CR2</td> <td>0.10</td> <td>EBLR</td> <td>0.10</td> <td>0.20</td> </tr> <tr> <td>CR3</td> <td>0.50</td> <td>0.25</td> <td>0.50</td> <td>0.65</td> </tr> <tr> <td>CR4</td> <td>0.75</td> <td>0.40</td> <td>0.75</td> <td>1.00</td> </tr> <tr> <td>CR5</td> <td>1.25</td> <td>1.00</td> <td>1.25</td> <td>1.70</td> </tr> </tbody> </table>	Amount	Spread over EBLR (in %)	₹ 25.00 lakh to ₹ 50 lakh	0.65	Spread over EBLR					Rating	Above 50.00 lakh to 50.00 Crore	Above 50.00 crore or where external rating is applicable			A- & above	BBB -/+	BB -/+ and below	CR1	0.10	EBLR	0.10	0.20	CR2	0.10	EBLR	0.10	0.20	CR3	0.50	0.25	0.50	0.65	CR4	0.75	0.40	0.75	1.00	CR5	1.25	1.00	1.25	1.70
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Classification: Internal

S. No.	Schemes	Rate of Interest
		(The ROI is inclusive of additional credit risk premium)
19.	<b>Union MSE Support</b>	As per the 'Card Rates for advances'- Annexure I
20.	<b>PM Vishwakarma</b>	13 % Fixed. <ul style="list-style-type: none"> <li>• 5% fixed will be charged from the borrower and</li> <li>• Remaining 8 % will be subvention from Ministry of MSME</li> </ul>

**Note:** For all the schemes enumerated in Annexure: II (MSME & Others) the additional Credit Risk Premium for Term Loans shall be applicable (as per table D of Annx. I for card rates), except for such schemes where the credit risk premium is included in the rate of interest for the respective scheme.