

## PRESS RELEASE

### Union Bank of India launches “UNION TRADE-GST”

**October 13, 2017- Mumbai:** Union Bank of India, in its pursuit to give impetus to small traders and manufacturers especially in SME segment, has launched a new working capital finance scheme by the name of “**UNION TRADE-GST**”. We are the 1<sup>st</sup> Bank in India to have scheme of financing regular working capital limit based on GST returns. The launch of this scheme will help the Bank to have synergy with the GST regime.

The large number of SME entrepreneurs have been included under the ambit of formal trade with implementation of GST. These SMEs are facing working capital crunch as in absence of proper past financials returns, they are unable to access the Bank’s credit. The working capital assessment is based on the sales turnover, as indicated in balance sheet. Beside this, existing entrepreneurs under banking ambit are also facing credit crunch, as in GST regime the SMEs are entitled for input credit claim which is stretching their operating cycle.

Generally Banks are providing 20% of the sales turnover as working capital limit to a business entity, but to have ease in GST regime, under this scheme Union Bank of India is providing hassle free **regular working capital** limit upto **30% of the turnover as per GST returns** without insisting on assessment on other financial returns. The scheme will provide regular working capital limit above Rs 10.00 lacs upto Rs 200.00 lacs. The assessment of turnover & quantum of working capital is tailor-made to benefit especially the SME sector.

In furtherance to the Government of India initiatives in tax reform, compliance and digitalization, the Bank is offering POS machine with no Installation charges and waiver of annual maintenance charges for first year under the scheme.

The scheme would be great enabler for an honest tax payer and incentivize the filing of GST return. At the same time adequate financial support to such entrepreneurs through this unique scheme with inbuilt hassle free assessment based only on GST return will be easier for businesses to adopt.

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Released on behalf of Union Bank of India by:-  
Monika Kalia, GM, Corporate Communication; Tel: 22896300; E-mail: monikakalia@unionbankofindia.com