

SCHEME GUIDELINES OF CANARA MSME CAP (Credit Against Property)

1	Title	CANARA MSME CAP (Credit Against Property)
2	Purpose	To provide credit for business requirement of MSME borrowers(as defined under MSMED act 2006, with further revision in definition of MSME effective from 01.07.2020, as per Gazette Notification dated 26.06.2020 with relevant modifications communicated subsequently), both Manufacturing and Services, along with self-employed by way of Fund based and non-fund based exposures against the security of Land and Building belonging to the unit or promoters of the unit or close relatives of the promoters.
3	Target Group	Micro, Small and Medium Enterprises (Manufacturing/Service) (Excluding Educational Institutions, Self Help Group, Joint Liability Group).
4	Eligibility	<p>a) Individuals/Partnership firm (other than partnership firms where HUF is a partner)/ company (excluding NBFC)/ Traders/ Businessmen/ professionals or self-employed persons/ proprietary firms.</p> <p>b) Loan against mortgage of Land and Building (Land alone will not be considered) located in</p> <ol style="list-style-type: none"> 1. Metro. 2. Urban. 3. Semi-Urban. 4. Properties located in select rural areas subject to conditions and 5. Properties allotted by Govt. Authorities/Semi Govt. Authorities, Agencies like Industrial Development Authority, Small Scale Development Authority, Special Economic Zones (SEZs), industrial estates like Textile Parks etc., irrespective of location & authorized by State/Central Government either leasehold/freehold are also eligible subject to conditions. 6. Approved Financial Securities. <p>c) The Scheme shall be applicable for accounts risk rated up to moderate risk only.</p>
5	Nature of facility	<ol style="list-style-type: none"> 1. Working Capital – Secured OD (Fund Based and Non-Fund Based). 2. Term loan
6	Loan Quantum	<ol style="list-style-type: none"> 1. Manufacturing Units: Rs.20 Crores. 2. Service Units : Rs.10 Crores. <p>Minimum loan amount above Rs.10 lakhs.</p>
7	Margin	<p>20% for Term Loan, Working Capital</p> <p>25% for Non-Fund based</p>
8	Interest	Rate of Interest is linked to the value of security/approved collaterals and Internal Risk Rating/Grade.
9	Repayment	<p>Term Loan - 10 years including moratorium.</p> <p>Working Capital-Tenable for One year</p>

10	Processing charges	50% of the applicable upfront fee/processing charges.
11	Security	<p>Primary Security: Assets created out of the Bank Finance.</p> <p>Collateral Security:</p> <ol style="list-style-type: none"> 1. Mortgage of immovable properties with value of 100% to 150% of the loan amount depending upon the location. 2. Assignable LI policies, units of UTI and other Mutual Funds approved by the Bank, bonds issued by Government, National Savings Certificates, Govt. promissory notes, Specified Post Office Term Deposits, 10 Year postal savings certificates, Relief bonds, Kisan Vikas Patra, specified flexi bonds, bonds issued by Konkan Railway Corporation Ltd., term deposits with Canara Bank. 3. Agricultural property is prohibited. Agricultural Properties should not be taken as security under this scheme. 4. Vacant land shall not be accepted as security. 5. Select Rural properties shall also be accepted as securities subject to conditions. 6. Properties allotted by Govt. Authorities/Semi Govt. Authorities, Agencies like Industrial Development Authority, Small Scale Development Authority, Special Economic Zones (SEZs), Industrial estates like Textile Parks etc., irrespective of location & authorized by State/Central Government either leasehold/freehold are also eligible to be considered subject to conditions.
12	CGTMSE Cover	Not eligible to be covered under CGTMSE.

Conditions apply. The information provided above is only illustrative and not exhaustive.

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