



CLUSTER SPECIFIC SCHEME

ACTIVITY - COTTON GINNING AND SPINNING

AREA OF OPERATION- GUNTUR, GULBARGA, HUBLI AND AHMEDABAD

Purpose	To extend working capital and/or term loan (domestic credit) to cotton ginning and spinning units in Micro, Small & Medium Enterprises (Manufacturing) sector
Applicability	a. Facility applicable to loans/advances above Rs.10,00,000/- upto Rs.25crores.
Quantum	Need based finance assessed as per prevailing guidelines. Total exposure not to exceed Rs25 Crore per unit. 1. Though the upper limit of the scheme is Rs.25 crores per unit, the maximum limit permissible for Term Loan is Rs.10 Crores per unit. 2. If the limit is more than Rs.10 crores either by way of Working Capital or composite in nature, the security value by way of Immovable Property should be more than 150% of the limit sanctioned.
Rate of Interest	ROI is linked to the value of collateral security offered.
Security	a. Prime security: Assets created out of loan (viz, plant, machinery, factory land, building, stocks and book debts) as per prevailing guidelines b. Collateral security: mortgage of immovable property

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

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