

CANARA MSME CONTRACTOR	
<b>Purpose</b>	To provide working capital assistance (Fund Based/Non Fund Based) in the form of running limit (Secured OD), FLC/ILC & BG for working capital needs and Term Loan for purchase of brand new equipment/office premises to the existing and prospective eligible contractors/sub-contractors.
<b>Target Group</b>	<ol style="list-style-type: none"> <li>1. MSMEs engaged in execution of contract works in the field of Civil, Mining, Electrical, Mechanical and construction awarded by Govt. Agencies, that have registered their operative accounts maintained in our Bank with the respective Government agencies for receiving the funds towards payment under the underlying tender/bids document (contract) executed by them.</li> <li>2. MSMEs engaged in execution of contract works in the field of Civil, Mining, Electrical, Mechanical and construction awarded by Govt. Agencies but do not have their operative accounts maintained in our Bank, registered with such Government agencies for receiving the payments.</li> <li>3. MSMEs engaged in execution of contract works in the field of Civil, Mining, Electrical, Mechanical and construction awarded by reputed Corporates and MNCs.</li> </ol>
<b>Eligibility</b>	<ol style="list-style-type: none"> <li>1. New/existing MSMEs (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) engaged in contractor/sub-contractor activity.</li> <li>2. Individuals, Proprietorship, Partnership, Private &amp; Public Limited Corporates, LLPs.</li> <li>3. Existing clients should have satisfactory Bank dealings with their existing Bankers.</li> <li>4. New clients/units whose market report and prospects are satisfactory subject to their dealings confined to our Bank.</li> <li>5. Clients financed under the scheme to confine their entire dealings with our Bank.</li> <li>6. Concerns belonging to a common group are also eligible.</li> <li>7. The Scheme shall be applicable for accounts risk rated up to Moderate Risk only.</li> </ol>
<b>Quantum</b>	<p>Above Rs. 25 Lakhs</p> <ol style="list-style-type: none"> <li>a) Need based finance on credit assessment or 9 times of Tangible Net worth (TNW) whichever is lower/cash flow projected.</li> <li>b) Term Loan to the maximum of Rs.10 Crores is permissible.</li> <li>c) For Loans above Rs. 2 crores, the valuation shall be carried out by two independent panel valuers and the least should be taken into consideration.</li> </ol>
<b>Rate of Interest</b>	<p>Rate of interest as per prevailing guidelines of the Bank linked to RLLR of the Bank, subject to changes from time to time.</p> <p>Concession ranging from 0.25% to 0.50% as per the ROI scoring matrix devised for this scheme.</p>
<b>Margin</b>	<p><b>Working Capital:</b> NIL</p> <p><b>Term Loan &amp; Non Fund Based:</b> 20%</p>

Repayment	<b>Working Capital:</b> Tenable for 1 year. <b>Term Loan:</b> 5 – 7 Years (including moratorium period).
Security	<p><b>Primary Security:</b> Assets created out of bank finance (movable and immovable)</p> <p><b>Collateral Security:</b>  Collateral security requirements for financing such contractors/sub-contractors that are engaged in execution of contract works in the field of Civil, Mining, Electrical, Mechanical and construction awarded by:</p> <ul style="list-style-type: none"> <li>i. Govt. Agencies but do not have their operative accounts maintained in our Bank, registered with such Government agencies for receiving the payments.</li> <li>ii. Reputed Corporates and MNCs, is as under</li> </ul> <p>➤ Minimum Collateral requirements - 100% of the proposed exposure under the scheme in the form of Land/Land &amp; Building only and/or approved financial securities</p> <p>Collateral security requirements for financing such contractors/sub-contractors that have their operative accounts maintained in our Bank, registered with such Government agencies for receiving the payments:</p> <p>➤ Minimum Collateral requirements - 50% of the proposed exposure under the scheme in the form of Land/Land &amp; Building only and/or approved financial securities.</p> <ul style="list-style-type: none"> <li>a). Approved securities may be accepted at 100% of the surrender value to the extent available.</li> <li>b). Thereafter, a minimum of 50% (or more) of the exposure not secured by way of Approved Securities in terms of point a). above shall be secured by way of Residential/Commercial Properties.</li> <li>c). Remaining exposure not backed by Approved Securities and/or Residential/ Commercial Properties as specified above, if any, can be secured by way of vacant land and/or Industrial Properties.</li> <li>d). However, vacant Land can be accepted as collateral security up to a maximum of 25% of the collateral stipulated, provided it has clear demarcation and boundaries with approach roads and is duly allotted by any government / Statutory body.</li> <li>e). In any case, value of Industrial Land &amp; building and vacant landed properties should not exceed 50% of the minimum stipulated collateral comfort requirement.</li> </ul>

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

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