

CANARA MSME STAR	
<b>Purpose</b>	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.
<b>Target Group</b>	Micro, Small and Medium Enterprises (Manufacturing/Service) (Excluding Hospitals, Educational Institutions, Self Help Group, Joint Liability Group).
<b>Eligibility</b>	<ol style="list-style-type: none"> <li>1. Individuals/Partnership firm (other than partnership firms where HUF is a partner)/ company (excluding NBFC)/ Traders/ Businessmen/ professionals or self-employed persons/ proprietary firms.</li> <li>2. Loan against mortgage of acceptable Land/Land and Building located in <ul style="list-style-type: none"> <li>➤ Metro</li> <li>➤ Urban</li> <li>➤ Semi-Urban</li> <li>➤ 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 &amp; authorized by State/Central Government, either leasehold/freehold subject to conditions.</li> </ul> </li> <li>3. The Scheme shall be applicable for accounts risk rated up to Moderate Risk</li> </ol>
<b>Nature of facility</b>	<ul style="list-style-type: none"> <li>➤ Working Capital – Secured OD (Fund Based and Non-Fund Based).</li> <li>➤ Term loan</li> </ul>
<b>Loan Quantum</b>	Above Rs.10 lakhs.
<b>Interest</b>	Rate of Interest is linked to the value of security/approved collaterals and Internal Risk Rating/Grade.
<b>Margin</b>	<p>Term Loan &amp; Working Capital – 20%</p> <p>Non-Fund based – 15%</p>
<b>Security</b>	<p><b>Primary Security:</b> Assets created out of the Bank Finance (movable &amp; immovable assets).</p> <p><b>Collateral Security:</b></p> <ol style="list-style-type: none"> <li>i. Total securities for reckoning security comfort under the scheme shall be 100% or more of the proposed exposure in the form of primary and collateral put together (in the form of Land/Land &amp; Building and/or approved securities), of which: <ol 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 Primary</li> </ol> </li> </ol>

	<p>Securities (in the form of Land/Land and Building), vacant land and/or Industrial Properties. However, vacant land can be accepted as collateral security to the maximum extent of 25% of the stipulated security comfort (in terms of value), provided it has clear demarcation and boundaries with approach roads and is allotted by any government / Statutory body.</p> <p>d). In any case, primary (immovable), vacant and industrial land put together shall not be more than 50% of the minimum stipulated security comfort.</p>
<b>Repayment</b>	<p>➤ Working Capital-Tenable for One year</p> <p>➤ Term Loan – up to 10 years including moratorium.</p>
<b>Upfront/ Processing charges</b>	Concession up to 50% of the applicable upfront fee/processing charges.
<b>CGTMSE Cover</b>	Not eligible to be covered under CGTMSE.

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

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