

CANARA GST

Last updated: 01.08.2023

Purpose	To provide credit for Working Capital requirement of GST registered MSME borrowers (New/Existing) (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 communicated subsequently), by way of fund based exposure.
Target Group	Micro, Small and Medium Enterprises (Manufacturing/Service)
Eligibility	<ul style="list-style-type: none"> ➤ New customers with minimum business operation of 6 months and existing customers at the time of renewal shall be brought under the scheme. ➤ GST Return of minimum for the past six months and at least 75% of turnover reflected in GST return should have been routed through the Bank account. ➤ Borrowers rated up to Moderate Risk as per internal rating of the Bank are eligible under this scheme. ➤ The scheme is applicable to customers having/proposed to have sole Banking arrangement for working capital requirements. Multiple Banking Arrangement/Consortium is not permissible for working capital requirements.
Nature of facility	Working Capital i. Fund-based ii. Non-Fund based as Sub-Limit of Fund-based limit under the scheme, by way of Letters of Credit (Inland/Foreign and/or Trade Credit) opened for procurement of raw materials and Bank Guarantees issued in lieu of Advance payment (i.e. Mobilization advance) from buyers.
Quantum	Minimum: Above Rs.10 Lakhs. Maximum: Rs.20 Crores
Rate of Interest	As per the scheme guidelines.
Security	Primary Security: Primary assets created out of the Bank Finance. Collateral Security: Collateral Security value shall be minimum 75% of the loan amount in the form of (i) Mortgage of immovable properties Land & Building. a) Properties in the name of brother-in-law, sister-in-law, mother-in-law, father-in-law, daughter-in-law and son-in-law may also be accepted as securities under the scheme provided they stand as guarantors. b) Vacant land may be accepted as security up to a maximum of 25% of the permitted security comfort (in terms of value), subject to fulfilment of certain conditions and adherence to the applicable valuation norms stipulated in this regard. c) In respect of properties which are less than one-year-old (i.e. latest execution of sale deed is done within 12 months); value of the property shall be taken as "sale deed value" or current "guideline value" whichever is higher. d) Tenanted properties can also be accepted as securities. (ii) Other Approved Collaterals such as Assignable LI Policies, LIC policy, NSC, Post Office term Deposits, Govt. Securities, Kisan Vikas Patras (KVP) and (iii) Term Deposits of Canara Bank.

Conditions apply: The Information provided above is only illustrative and not exhaustive.
Contact: For more details, please contact your nearest Canara bank Branch or E-mail:
hosbu@canarabank.com