

CANARA MSME START-UP

Last Updated: 01.08.2023

Purpose	To provide Financial assistance to Start-ups for their various business requirements as below: <ul style="list-style-type: none"> • Prototype Creation, Product/Website/App Development • Purchase of Raw Materials / Machineries / Equipment • Licenses and Certifications • Team Hiring /Recruitment of Staffs • Legal & Consulting Services • Marketing and Sales • Purchase / Leasing of Office spaces and / or administrative expenses.
Target Group	Micro Small and Medium Enterprises (MSMEs) recognised as Start-ups by DPIIT.
Applicability	An entity shall be considered as a Start-up (as per DPIIT guidelines) on compliance of following: <ol style="list-style-type: none"> Up to a period of Ten years from the date of incorporation/ registration, if it is incorporated as a Private Limited Company (as defined in the Companies Act, 2013) or registered as a Partnership Firm (registered under section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) in India and Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded Rupees one hundred crore and Entity is working towards innovation, development or improvement of products or processes or services or if it is a scalable business model with a high potential of employment generation or wealth creation. Note: An entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Start-up'.
Eligibility	The Scheme shall be made available to the Start-ups on compliance of the following eligibility criteria: <ul style="list-style-type: none"> • The unit should be recognised as Start-up by DPIIT, Ministry of Commerce and Industry, Government of India. • The Start-up should be classified as MSME and having a valid Udyam Registration Certificate. • Start-ups having sustainable and viable business model & also having the support of recognised Incubator/ Accelerator/ Investors available as per the Start-up India Portal. • The equity portion of Start-up shall be fully tied-up. • Start-up should have reached the stage of stable revenue stream. • Facility can be extended under sole banking arrangement only. • Start-ups including Promoters / Directors should not be in default to any lending / investing institution and not classified as Non-Performing Asset as per RBI guidelines.
Financing Branches	Financing under the proposed scheme shall be done only through the designated branches of the identified Circles, Mumbai, Pune, Bangalore, Delhi, Ahmedabad, Chennai and Hyderabad.
Type of Facility	Working Capital (FB & NFB) and/or Term Loan
Loan Quantum	✓ Minimum: Above Rs.10 Lakhs ✓ Maximum: Rs.10.00 Crores
Margin	Term loan -20% Fund Based Working capital - Against Stock & Book Debts: 20% NFB - 15%
Repayment	✓ Working Capital - One Year

	✓ Term Loan - Maximum repayment term shall be 10 years including maximum moratorium period of 36 months. Interest to be repaid as and when due.
Interest Rate	Applicable as per the scheme guidelines.
Upfront fee / Processing charges / Commission on NFB limits/ TEV/	Applicable as per the scheme guidelines.
Security	<p>Primary Security: "Primary security" in respect of a credit facility shall mean the assets created out of the credit facility so extended.</p> <ul style="list-style-type: none"> • Term Loan: Hypothecation / Mortgage of Assets financed by the Bank. • Working Capital: Hypothecation of Stocks & Receivables. • Charge on Intellectual Property Rights (if financed by the Bank). • Right/ Lien on all Products/ Patents/ Copyrights and Results created out of Bank Finance in consultation with Recovery & Legal Section/ reputed panel Advocates. <p>"Primary security" has to be invariably encumbered to Bank loan.</p> <p>Collateral Security/Guarantee: "Collateral security" means the security provided in addition to the primary security and can be in the form of properties (land/ land and building) and/or approved financial securities.</p>
CGTMSE Coverage	Uncovered portion (i.e. where collateral comfort less than 100%) to be covered under CGSS / CGTMSE cover under Hybrid model.

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