



Date last updated: 21.10.2020

STANDBY CREDIT FOR CAPITAL EXPENDITURE OF MSMES

Purpose	For meeting unforeseen/urgent requirement for acquisition of fixed assets like generator set, balancing equipments, replacement of existing machinery items, tools, moulds, jigs etc to maintain production and/or to acquire necessary equipments/machinery for modernization of the unit.
Eligibility	Our existing MSME borrowers having satisfactory dealings
Nature of facility	The facility will be permitted as TERM LOAN.
Quantum of Loan	Quantum of loan is 25% of the original value of the existing plant and Machinery subject to a maximum of Rs.25 lakhs, at the time of each renewal of working capital limits.
Margin	15% to 25% of the cost of the fixed asset to be acquired under the loan
Security	Prime security - Assets created out of loan Collateral security & Personal / Third party Guarantee obtained for the existing credit facility shall continue.
Rate of interest	Rate of interest as per prevailing guidelines of the Bank linked to RLLR Rate of the Bank, subject to changes from time to time
Repayment	The loan is repayable within a period of over 36 months and within 60 months in monthly/quarterly instalments.
Guarantee cover	Cover under Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) is available, subject to conditions.

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 to: hosbu@canarabank.com