

CANARA MSME START-UP

Last Updated: 01.08.2023

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| 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 |

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| | ✓ 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