

An attractive scheme specially designed for Chartered Accountants



An Initiative of the Committee for Capacity Building of CA Firms and Small & Medium Practitioners, ICAI

The Committee for Capacity Building of CA Firms and Small & Medium Practitioners, ICAI is set up to promote capacity enhancement of members and firms through Networking, Merger and raising core competency of CA professionals.

The Committee has taken a major initiative to arrange financial assistance to all members in

practice / firms in the form of specially designed loan scheme through Corporation Bank. Through the scheme, eligible Chartered Accountants can avail finance for setting up of offices including cost of furniture/fixture/office equipments-computers and other accessories. The scheme would also enable the Chartered Accountants to finance a part of the working capital for building their profession and will also take care of the needs of fresher (CAs with experience below three years).

* Members & firms are requested to avail the benefits of this loan scheme. For further details, please contact nearest branch of Corporation Bank.

Highlights of the loan scheme are given below:

Eligibility:

- Chartered Accountants, individually/jointly or Proprietorship Concern or a Partnership Firm/ Partnership with Limited Liability
- Age of the individual/ proprietor shall not exceed 65 years.
- The applicants/Firms are registered with Institute of Chartered Accountants of India (ICAI) and also holding valid certificate/license for carrying out the practice.
- The applicant's/firm's name shall not appear in the RBI defaulters list/CIBIL report.
- In case of Firms, all partners shall join as co applicants.
- The applicants/firms should not have been subjected to disciplinary action by the Institute.

Purpose:

- For construction of office premises
- For acquisition of ready built new office premises, partly or fully constructed
- To finance cost of land and construction thereon
- To finance cost of furniture & fixture, fittings of office equipments/computers/other accessories etc.
- To finance working capital and /or financing receivable

Nature of facility:

Demand Loan/Term Loan for acquisition of fixed assets and/or Cash Credit/Overdraft for working capital

Margin:

- For Term Loan/Demand Loan: Uniform margin of 20%
- For Working Capital: 25% for Book Debts/Receivables for cash credit or clean overdraft
 - Value of land shall not exceed 50% of project cost in case of purchase of site and construction of premises

Quantum of loan:

Applicable For Freshers: (Experience below 3 years)				
		Metro	Urban	Other Centres
I.	Maximum eligibility: TL/DL * Out of which:	Rs. 20 lacs	Rs. 15 lacs	Rs. 10 lakhs
a.	For office premises	Rs. 15 lacs	Rs. 12 lacs	Rs. 8 lacs
b.	For furnishing & Other assets	Rs. 5 lacs	Rs. 3 lacs	Rs. 2 lacs
II.	For Working capital requirement	Rs. 2 lacs	Rs. 1 lac	Rs. 1 lac

Applicable For Existing Firms (Having Practice for 3 Years And Above)

A] WHERE LATEST GROSS ANNUAL INCOME IS UPTO RS. 5 LACS (income includes professional fees/consultancy fees etc..)				
		Metro	Urban	Other Centres
I	Maximum eligibility : TL/DL * Out of which:	Rs. 30 lacs	Rs. 20 lacs	Rs. 15 lakhs
a	for office premises	Rs. 20 lacs	Rs. 15 lacs	Rs. 12 lacs
b	For Furnishing & Other assets	Rs. 10 lacs	Rs. 5 lacs	Rs. 3 lacs
II	For Working capital	Rs. 2 lacs	Rs. 1 lac	Rs. 1 lac

B] WHERE LATEST GROSS ANNUAL INCOME IS ABOVE RS. 5 LACS & UPTO RS.10 LACS AS PER LATEST IT RETURN (with experience of 3 years and above)				
		Metro	Urban	Other Centres
I	Maximum eligibility: TL/DL * Out of which:	Rs. 50 lacs	Rs. 25 lacs	Rs. 20 lakhs
a	For office premises	Rs. 40 lacs	Rs. 20 lacs	Rs. 15 lacs
b	For Furnishing & Other assets	Rs. 10 lacs	Rs. 5 lacs	Rs. 5 lacs
II	For Working capital	Rs. 5 lacs	Rs. 2 lacs	Rs. 2 lacs

C] WHERE LATEST GROSS ANNUAL INCOME IS ABOVE RS.10 LACS, AS PER LATEST IT RETURN (WITH EXPERIENCE OF 3 YEARS AND ABOVE)				
		Metro	Urban	Other Centres
I	Maximum eligibility : TL/DL * Out of which:	Rs. 125 lacs	Rs. 65 lacs	Rs. 30 lakhs
a	For office premises	Rs. 100 lacs	Rs. 50 lacs	Rs. 25 lacs
b	For Furnishing & Other assets	Rs. 25 lacs	Rs. 15 lacs	Rs. 5 lacs
II	For Working capital	Need based		

Security:

- Term Loan /Demand Loan: Assets acquired out of the loan.
- For Working Capital Loan: Assignment of Book Debts/Receivable.
- Collateral security: Suitable third party guarantee or Tangible securities.

Repayment:

- Term Loan - Repayable in maximum period of 10 years by EMI/PMI, initial moratorium of upto 18 to 24 months.
- Demand Loan - Repayable in maximum 3 years by EMI/PMI, including initial moratorium of 6 months.
- Repayment to commence from date of commercial operations or after completion of initial repayment holiday or as per the terms of sanction.
- Interest shall be serviced as and when debited.

Rate of interest:

- Upto Rs. 10 lacs – Min. 10% (Base Rate + 2.25%)
- Above Rs. 10 lacs – Min. 10.75% (Base Rate + 3%)
(Investment in fixed assets less than Rs. 100 lacs)
- Above Rs. 10 lacs – Min. 11.75% (Base Rate + 4%)
(Investment in fixed assets above Rs. 100 lacs)
- * Subject to gradation of the borrower
- Rate of interest at floating rate linked to Base Rate
- Rate of interest is subject to review

Note: Concession of 0.50% extended, if additional collateral security viz., property, LIC policies, Deposit etc., to the extent of 25% of loan amount is provided.

Processing Charges:

0.25% of loan amount subject to a minimum of Rs.5000/-

Prepayment charges:

-Nil-