

CANARA BANK OFFICERS ASSOCIATION WELCOME THE PROMOTION ASPIRANTS



628790862

**LEARN TO LEAD
WITH BEST WISHES FROM L JAGENNATH**

UPDATES ON CREDIT MATTERS OCT 2024 – AUGUST 2025

258/2025 Delegation

223/2025 Credit Policy

215/2025 Credit Risk Management Policy

**Policy 28/2025 Credit Review and Monitoring
Policy**

**Policy 25 Loan Recovery Policy & OTS
Schemes**

211/2025 Consolidated guidelines on Valuation

**LEARN TO LEAD
WITH BEST WISHES FROM L JAGENNATH**

Legal Scrutiny Report (LSR)

- ✓ Value of Property is Rs 5 cro and above two LSRs from different Panel Advocates
- ✓ LSR to contain a certificate about CERSAI search details as per 8/2023.
- ✓ Wherever physical verification is dispensed with in SROs of various states, Advocate to verify the documents on line & a certificate in LSR as per 361/24 to be furnished.

Important changes in LSR

- ✓ LSR from 1.7.2025 to be duly signed with class 3 digital signatures only – 240/2025
- ✓ LSR from 1.5.2025 to contain Unique Land Parcel Identification number in states where ULPIN is mandatory. 251/2025
- ✓ The format of revised LSR and check list and approval format is as per HO Cir 251/2025
- ✓ For new Mortgage based Credit proposals, branches, offices shall generate Covering letter to the advocate for requesting LSR mandatorily from LAPS Package.

Important changes in LSR

✓ **483/25**

- ✓ While permitting/sanctioning additional exposure upto Rs. 2 crores (including proposed exposure) to borrowers against existing mortgaged properties, Branches/Offices shall obtain Supplementary Legal Scrutiny Report(LSR) from a panel advocate other than the one who had originally given the LSR and ensure perfection of security/ies.

LEARN TO LEAD

WITH BEST WISHES FROM L JAGENNATH

Canara Gold 715/24

- ✓ GL to employees for personal consumption
- ✓ Product code 3028 – Scheme code 3001
- ✓ For confirmed employees - Min Rs 25000
- ✓ Max Loan quantum: in lacs

Sub Staff 1.00 Clerk 1.50	
Scale I 2.00 Scale II 2.50	Scale VI to VIII 5.00
Scale III 3.00 Scale IV 4.00	Scale V 4.00

- ✓ 65% of the appraised value will be the loan quantum
- ✓ LTV ratio 75% - Interest rate RLLR

Canara Gold 715/2024

- ✓ Interest monthly rest compounded
- ✓ Repayment period within 12 months from the date of sanction as bullet repayment along with interest.
- ✓ RO Head is the sanctioning authority.
- ✓ Loan can be availed at any branch of the bank
- ✓ NTH 25% - to be arrived at considering the EMI notionally
- ✓ Any number of loans can be availed by the employees within the over all quantum

Canara Gold

-
- ✓ Only appraiser charges as per Swarna loan to be collected – No other charges
 - ✓ Penal charges as applicable to Swarna Loan
 - ✓ Loans sanctioned in a quarter to be reappraised before the end of the next quarter by Panel Appraiser

GL to staff for Agriculture 735/24

-
- ❑ Employees can avail Gold Loan up to Rs.3 Lakh for Crop Cultivation purpose and up to Rs.5.00 Lakh for Land Development purpose. (conditions??)
 - ❑ New Product codes introduced
 - ❑ 3024 - Land Development Agri – Staff
 - ❑ 3025 Crop Cultivation Agri – Staff –
 - ❑ 3026 Crop Cultivation Agri OD Staff

GL to staff for Agriculture 735/24

-
- **Purpose:**
 - **Development purposes**
 - **Cultivation of crops**
 - **Purchase of tractors / power tillers, bullock & cart loans if required for ploughing of lands and transport of produce**
 - **No loan for allied activities like dairy, poultry and for construction of farm house etc.,**
 - **Land should have been inherited and not acquired**
 - **If allotted by Govt it should have been before joining the bank**
 - **Hired labourers or family members to take care**
 - **Confirmed employees**

GL to staff for Agriculture 735/24

-
- Quantum. Security, interest, margin, Repayment as applicable to customers.
 - GL for Crop purposes Max Rs 3 lac and for Non Crop Purpose Rs 5 lac. –
 - Branch in charges upto their delegated powers can Sanction.

Important Points in Valuation 21/1/2025

- It is the practice of the bank to appoint more than one valuer in respect of valuation of assets having high value.
- Bank shall obtain minimum 2 independent valuation reports from 2 empanelled valuers in respect of loan accounts where the value of individual property (Land and Building) obtained as collateral for the loan is **Rs 5 crore** and above.
- When value differs?

Important Points in Valuation 21/1/2025

- ✓ First ascertain whether both the reports used the same basis for valuation.
- ✓ If basis for valuation is different then average of both the valuations are taken to arrive at the notional value of the property.
- ✓ If basis of valuation is same and the variation is within 15% average of the two to be taken to arrive at the notional value

Important Points in Valuation 21/1/2025

- If the basis is the same and the variation is more than 15%, then bank will get valuation from an empaneled 'A' category valuer and the lowest of the three to be taken. Cost of third valuation to be borne by the bank.
- Bank to examine the valuation of the highest one and call for explanation and if the explanation is not satisfactory then steps to be taken for deletion from Panel.

Important Points in Valuation 211/2025

Category	Work experience	Value of property for assignment of valuation work
A	More than 10 years	No limit
B	>5 years upto 10 years	Upto Rs 25 cro
C	>2 years upto 5 years	Upto Rs 5 cro
D	Upto 2 years	Upto Rs 1 cro

✓ **D category only for HL schemes of the Bank**

Important Points in Valuation 211/2025

- ✓ Periodicity of valuation is before sanction and take over and subsequently once in three years. (Schematic loans as per Scheme guidelines, Agriculture as per agriculture guideline and Retail lending as per Scheme guideline)
- ✓ In some of the MSME schemes loan quantum and interest rates are linked to the value of the collateral.

Important Points in Valuation 211/2025

- In such cases Circle Head CAC can reduce the frequency of periodical valuation less than 3 years to allow concession in interest rate and for additional credit.
- In such cases:
 - If valuation is carried out at frequency **less than 33 months**:
 - value of property to be taken at 85% of the latest valuation and
 - valuation to be given by a valuer other than the one who gave earlier valuation.

Important Points in Valuation 21/1/2025

- **Residual Life and last repayment date:**
- **When Immovable property is taken as security(L&B), the residual age of the property as given in the valuation report should be at least 5 years more than the tenure of the loan.**

Important Points in Valuation 211/2025

- ✓ **Digitally signed Valuation report 240/2025.**
- ✓ **459/25- Valuation of immovable properties**
- ✓ **Valuation report to contain the Photo of asset, Bank officials and Valuer taken together**

VALUATION OF FIXED ASSETS 211/2025

- If the property is only land (other than agriculture), Sites, Plot without any superstructure
- The acquisition cost as per registered Sale deed to be taken as value of land if it is acquired within immediate preceding one year. No need for outside valuer.
- If it is purchased beyond preceding one year, 85% of the Fair Market value assessed by Valuer to be taken as value.

VALUATION OF FIXED ASSETS 211/2025

- **Valuation of recently purchased properties:**
- **The period of Recent Purchase is taken as 12 months prior to the date of valuation**
- **Eg: Valuation July 2025. Sale deed of the property is Aug 2024 and subsequent.**
- **If guidelines value are revised after the date of sale deed, the purchase price as per sale deed or guideline value which ever is more – not market value**
- **The above is for all loan products of the bank.**

VALUATION OF FIXED ASSETS PROPERTIES ACQUIRED BY WILL ETC

- ✓ In cases where the property is acquired by way of a Will / Gift Deed / Settlement deed recently (within 12 months from the date of loan application) in such cases, Guideline Rate obtained from Registrar's Office / Mandal Revenue Office shall be reckoned for valuation purposes.
- ✓ If the property is acquired by way of Will / Gift Deed / Settlement deed beyond 12 months from the date of loan application), the extant guidelines on valuation of properties shall be adhered to

VALUATION OF FIXED ASSETS

- In respect of Fixed Assets if the borrows account is down graded-
- Fresh Valuation need not be undertaken if down gradation is from low to normal or from Normal to Moderate or from Moderate to High Risk provided the valuation report is not more than 6 months old. – Otherwise within 3 months to be done.
- If down gradation by two notches then fresh valuation to be undertaken within 3 months of down gradation irrespective of the date of valuation report.

VALUATION OF FIXED ASSETS

- If account turns into NPA
- Wait for 3 months
- If not upgraded get permission from RO or CO as the case may be regarding the need for valuation.
- For SSA and DA accounts with exposure of Rs 1 cro and above no waiver is permitted – Valuation is necessary. If DA and value of security is negligible valuation may be waived.
- Valuation to be done within 6 months from the date of account becoming NPA and subsequently once in 3 years

VALUATION OF FIXED ASSETS

- If the existing valuation already more than 3 years fresh valuation to be done immediately

Fees Payable to Fixed Asset Valuer

Value of Security	Fee payable
Upto Rs 5 lac of asset valued	0.25%
Next Rs 10 lac of asset valued	0.20%
Next Rs 35 lac of asset valued	0.10%
Next Rs 50 lac of asset valued	0.05%
On the balance of asset valued	0.025%

Fees Payable to Fixed Asset Valuer

- ✓ **Minimum Rs 2000 maximum Rs 50,000**
- ✓ **NPA 50% of the above maximum Rs 25,000**
- ✓ **Vacant Land 25% of the above maximum Rs 12,500**
- ✓ **TA & HA after getting permission from CO**
- ✓ **Maximum per borrower including TA & HA not to exceed Rs 75,000. CO head and above authorities can increase**
- ✓ **Fees to be paid to be informed to the borrower and if he has not paid to be debited his loan account.**
- ✓ **Suit filed account GC to be debited**

VALUATION OF P&M

- **New P&M – Invoice value – to be enquired with other vendors supplying such P&M**
- **Fresh borrowal accounts based on existing P&M – Valuation by Panel valuer**
- **Existing P&M if value is Rs 50 cro and above two approved valuers**
- **The Realisable value of security to be taken into account.**
- **Frequency of valuation of P&M is like Fixed Assets**

VALUATION OF FIXED ASSETS

- ✓ Who can permit waiver of Valuation of Fixed Asset?
- ✓ Low Risk – Upto and inclusive of Circle Head power Circle Head CAC. HO power respective CACs – MC power CAC of the Board
- ✓ NR and MR: Below Circle Head CAC by Circle Head CAC.
- ✓ Circle Head CAC and above by NHA
- ✓ CAC of Board and MC – CAC of Board

VALUATION OF FIXED ASSETS

- ✓ **HR – No waiver permitted**
- ✓ **Unrated Accounts: Accounts classified as Standard Assets: Waiver by authorities as applicable to MR accounts. SSA and DA waiver not permitted**
- ✓ **DA accounts where securities are not available, fully provided accounts, technically written off accounts are exempted from Valuation**

VALUATION OF FIXED ASSETS

- ✓ **Valuation of Vehicle: Insured Declared Value (IDV) as per valid insurance policy or depreciated value at 20% applied at Written Down Value whichever ever higher to be considered**

VALUATION OF FIXED ASSETS

- ✓ Atleast one valuation assignment to be entrusted per valuer in a year.
- ✓ Valuation of Fixed Assets shall be entrusted to different valuers each time the valuation is undertaken.
- ✓ At any cost, a valuer shall not be entrusted with valuation of assets of one borrower consecutively.
- Depreciation (Building 5%, P&M 15%, Vehicle 20% PA) – Written Down Value Method - Land value no need for applying depreciation.
- Minimum age of valuer is 21 and no upper age limit.
- Duration of empanelment is 5 years
- Fair Market Value to be taken into account for valuation purpose for taking the property as security.

VALUATION OF FIXED ASSETS

- ✓ If valuation to be got done by a valuer empaneled for one Circle by another Circle permission from RM wing HO to be obtained.
- ✓ This is not applicable for Circle Offices coming under the same State. But the maximum number of entrustment of such valuation for fixed assets and Current Assets from neighboring Circle in the same state not to exceed 3 in a Financial year.
- ✓ Empaneled valuer to be assigned valuation work of a particular branch for a maximum period of 3 years.

VALUATION OF FIXED ASSETS

- ✓ Valuer has to give details of last two transactions (within in last 2 years) in respect of adjacent properties in that area. If there are no such transactions the same to be mentioned in the valuation report

VALUATION OF FIXED ASSETS

- ✓ **SARFAESI Valuer:** should have been registered as valuer under Section 34 AB of Wealth Tax Act 1957 and approved by the Board of Directors
- ✓ **Individuals and Partnership firms only are eligible**
- ✓ **All partners should hold the certificate**
- ✓ **Work Experience:**
- ✓ **For retails Loans:** Should have been empaneled as SARFAESI agent with any other bank, FI, HFC or NBFC registered with RBI

VALUATION OF FIXED ASSETS

- ✓ For other Loans: The valuer or any one of the partners should have 3 years experience with any Bank etc or
- ✓ The valuer should have should have completed 5 assignments successfully with any other bank etc
- ✓ The above experience conditions can be waived if the valuer is working as valuer with DRT and or with a High court
- For valuation of the company property the valuer should be registered with Insolvency and Bankruptcy Board of India

VALUATION OF FIXED ASSETS

- ✓ **Duration of empanelment is 5 years**

VALUATION – INVENTORY Stock and Receivable Audit

Risk	FB &NFB Working Capital	Periodicity
Low & Normal	Rs 5 cro and above	Once in a year
Moderate & High	Rs 1 cro and above	Once in a year
Unrated	Rs 1 cro and above	If Standard Yearly
Unrated	Rs 1 cro and above	SSA & DA once in 2 years
Unrated	Rs 5 cro and above	DA once in a year

VALUATION - INVENTORY

- ✓ **Exposure includes both FB and NFB**
- ✓ **Exposure - both from our bank and from the banking system**
- **If ratings come down by one notch and if the Current valuation report is more than 6 months old fresh valuation to be conducted within 3 months.**

VALUATION - INVENTORY

- If current Valuation report is not older than 6 months no need for fresh valuation.
- 2 or more notches down fresh valuation within 3 months irrespective of previous Valuation report date.
- Valuation to be got done before taking over in respect accounts that are being taken over irrespective of risk grade and quantum of loan.
- Stock Audit need not be conducted for accounts coming under Agencies for Specialised Monitoring (ASM)

VALUATION - INVENTORY

- **NPA Accounts(Rated Accounts) – Permission to be obtained from Circle Office after ensuring sufficient stock is available- Otherwise no need for valuation after getting permission from Circle Office.**
- **Three months time to be allowed for upgradation.**
- **If not upgraded valuation to be done within 6 months of account becoming NPA and as per periodicity till inventory value depletes.**
- **DA accounts where security is not available full provided technically written off stock audit is waived**

VALUATION - INVENTORY

- ✓ Consortium / Joint Lending Arrangement (JLA)
- ✓ Where we are leaders as per our Bank guidelines
- ✓ If we are not leaders, to take up with Lead Bank. if any other member bank designated to conduct the audit we may accept the report and no separate audit is required.
- ✓ Multiple Banking: To be done as per our Bank guidelines.
- ✓ If any other bank has got the audit done we may accept the report provided it is not more than 6 months old

VALUATION - INVENTORY

- ✓ Subsequent audit is as per the periodicity of our bank.
- ✓ Waiver of Stock Audit:
- ✓ Low Risk: Accounts falling upto and including under the power of Circle Head CAC – Circle Head CAC to permit
- ✓ HO Power – RSAs –MC Power – CAC of the Board
- ✓ Normal Risk & Moderate Risk – Below Circle Head CAC power accounts to be permitted by Circle Head CAC – Circle Head CAC and above - NHA

VALUATION - INVENTORY

- ✓ CAC of Board and MC power accounts – to be permitted by CAC of Board
- ✓ High Risk Accounts – No waiver is permitted
- ✓ Unrated Accounts – Standard – to be permitted as applicable to Moderate Risk accounts
- ✓ Sub standard and Doubtful – No waiver
- ✓ DA where security is negligible, not available, fully provided and technically written off accounts
Stock audit is exempted.

VALUATION – INVENTORY Modifications

28/24 211/2025

-
- ✓ Empanelment of valuers / Stock auditors will be done of Assurance Section Circle and allotment of valuation work will be done by CRM Section at Circles
 - ✓ Branches to identify the accounts for stock audit for current financial year and send review programme on or before 30th April every year to CRM Circle office
 - ✓ CRM Section at RO to follow up with Circles for allotment of auditors.
 - ✓ CRM Section Circle to collect and consolidate the data in the second fortnight of May and to allocate Stock audit to valuers in the first fortnight of June
 - ✓ At least one assignment to be entrusted per valuer in a year
Max no of valuation to be given for Current asset valuer in a year is 6. NO such restriction for Fixed asst Valuation.

VALUATION – INVENTORY Modifications

28/24 211/2025

- The valuation of Current Assets of each borrower should normally be entrusted to a specific valuer 3 times consecutively
- ✓ Stock auditors to complete the work before Nov of the financial year.
- ✓ Time to be taken for audit is 2 to 6 weeks .
- ✓ Branches to confirm the compliance of Stock audit report within 2 weeks of receipt of the letter from Controlling Office.
- ✓ The report to be closed before December of the relevant Financial year
- ✓ Assurance Section in CO to empanel the valuers.

VALUATION –INVENTORY 801/23

- ✓ Fees payable to Current Asset Valuer:
- ✓ Manufacturing Unit: Rs 500 per Rs 1 cro of stock including BDs and stock imported under LC min Rs10,000 Max Rs 100000.
- ✓ Other than Manufacturing: Rs 300 per Rs 1 cro of stock min Rs 7500 Max Rs 1,00,000
- ✓ CO Head and above may permit more
- ✓ For one borrower the fee should not exceed Rs 2.00 lac
- ✓ NPA – 50% of the above max Rs 50,000

Valuation modification 211/2025

- ✓ Guidelines in respect of Third Party Entities (Valuers) involved in Fraud:
- ✓ TPE undertaking Stock Audit, Lenders Independent Engineers (LIE), Techno Economic Viability Consultants (TEV), SARFAESI valuers revaluation to be done in all the accounts where such TPE gave valuation in the last one year.
- ✓ In respect of Fixed Assets revaluation to be done in 10% of the loan accounts where valuation done by such TPEs in the last six months

Empanelment of Valuers – Domain experts in Technically Complex Projects 39/24 211/25

- ✓ To value assets that are taken as security in complex projects related to industries such as Steel, Cement, Coal, Ports, Power Road etc
- ✓ Individuals / Firms should have minimum Industry/domain experience of 5 years with technical background or have undertaken assignment in minimum of 10 high value projects with project cost of Rs.250 cro and above.
- ✓ Age of individuals should not be more than 65 years at the time of application.
- ✓ Projects falling upto and inclusive of Circle Power Accounts entrustment to domain experts to be permitted by PAG HO

Empanelment of Valuers – Domain experts in Technically Complex Projects 39/24 211/25

- ✓ The duration of empanelment is initially 2 years
- ✓ Can be extended another 3 years
- ✓ Thereafter to be renewed every 3 years
- ✓ Fee structure to be borne by borrower

Value of security	Max Fees as (%) of value of security
\leq Rs 5 cro	0.075% Max Rs 25000
$>$ Rs 5 cro $\&$ =10 cro	25000 + 0.05% of the value of security above Rs 5 cro- Max Rs 50000
Above Rs 10 cro	Rs 50,000+0.01% of the value of security above Rs 10 cro- Max Rs 15 lac

RETAIL LENDING-MODIFICATIONS IN PERIODIC VALUATION OF SECURITIES

- ✓ **HO CIR 337/2021 211/2025**
- ✓ **Fixed Assets (Primary & Collateral) mortgaged to**
- ✓ **All HL variants**
- ✓ **Canara Mortgage**
- ✓ **Canara Rent**
- ✓ **Canara LRD**
- ✓ **Canara Site Valuation to be done once in 5 years**

RETAIL LENDING-MODIFICATIONS IN PERIODIC VALUATION OF SECURITIES

- Outstanding loan Rs 50 lac and above as on 31st March every year - Once in 5 years
- *In respect of fixed assets (prime/ collateral) mortgaged to Education loan accounts where outstanding is Rs. 50 lakhs or above, revaluation of property has to be undertaken through the empanelled valuers immediately after completion of moratorium.*
- *Subsequently, valuation of fixed assets mortgaged for education loans where outstanding in loan account is more than Rs. 50 lakhs as on cut-off date i.e. 31st March of previous financial year shall be undertaken once in every five years.*

RETAIL LENDING-MODIFICATIONS IN PERIODIC VALUATION OF SECURITIES

- ✓ Valuation is property wise irrespective of the number of loans sanctioned against each property
- ✓ All are standard assets
- ✓ Exempted Category:
- ✓ All employees HL and HL of Retired employees
- ✓ HL partly availed under EHL and RBI Scheme

RETAIL LENDING-MODIFICATIONS IN PERIODIC VALUATION OF SECURITIES

✓ Revaluation Fees

Market Value of Property	Fee per mortgaged property
Upto Rs 1 cro	Rs 2000 plus GST
Above Rs 1 cro	Rs 2500 plus GST

Fees to be absorbed by bank – Valuation not to be entrusted to the same panel valuer consecutively. CRM SecROs to assign the valuation work by 30th April. Ros to submit consolidated details of valuation report to CO by 31st May and CO to CAM wing HO by 30th June. Executives overseeing Assurance Section at Ros to make payment of the fees as it is centralised at RO

Valuation of Agriculture Land 7/23

- Valuation of agri land with structure (like farm house/poultry shed etc) to be done once in 3 years
- Lands without any structures once in 5 years
- Agricultural farming land valuation is as per Guideline Value for Registration (GLR)
- Agricultural Land Valuation:
- For loans upto Rs 30 las AEOs or AEO promote managers
- Other Mangers – loans upto Rs 20 lac

Valuation of Agriculture Land 7/23

- Beyond the above and for valuation of agricultural land with structures (land and building) valuation report to be obtained from revenue officials or from approved consultants / Valuers

Appraisal of Term Loan through TEV Consultants

- Bank may utilize the services of externally empanelled Techno Economic Viability (TEV) consultants in our Bank for appraisal of Term Loan proposals with Project Cost upto and including Rs. 250 Crores
- Not applicable for Agri Term loan projects which are to be assessed by Agri innovation centre (AIC)
- Circle Head to permit such proposals either to Project Approval Group (PAG) or to TEVs for project cost upto Rs 250 cro for loans falling upto the Circle Head CAC
- For HO power accounts respective wing Heads.

Appraisal of Term Loan through TEV Consultants

- To be vetted by PAG
- TEVs to submit report within 10 working days and PAG to vet within 3 working days
- Report valid for 6 months – can be revalidated for another 6 months by the authority who approved the original report
- **Modifications in 223/2025**
- Can be entrusted with TEVs for project cost more than Rs 250 cro on a selective basis.
- Upto Circle Head powers – Circle Head CAC
- HO Power Accounts – Respective Wing Head

Credit Matters – Points to be looked into

- **171/2025: Verification of Agriculture land records for all loans irrespective of amount through online portal.**
- **Creation of charge/Mortgage on Agriculture land through respective online portal wherever available.**
- **Preservation of copy of Verification / Charge creation on Agriculture land along with the loan documents.**
- **As on date 21 States / UTs have this facility**

Credit Sanctions – Points to be taken care

- ✓ **207/2025** – Risk Rating for Govt owned entities
- ✓ **139/25** – Risk rating under Manual Value model to be reviewed and validated by the executive overseeing Assurance Section in RO / CO as a pre sanction exercise for all Sanctions. All sanctions after review and confirmation of Risk Ratings.

Credit Sanctions – Points to be taken care

- **CGTMSE cover – only for MSE Loans**
- **Cover available for loan upto Rs 10 cro. 190/25**
- **Search in CGTMSE portal**
- **Upto Rs 10 lac cover is must**
- **Above Rs 10 lac cover may be waived subject to collateral comfort for new and existing borrowers 175/24 & 515/2025**
- **Modified CGTMSE guidelines like cover, fee, claim percentage 174,175,190 & 199/2025**

Collateral for waiver of CGTMSE 515/25

CGTMSE cover may be waived to Prospective borrower by the RSAs subject to:

- **A) Loan is Term loan for Projects where Construction, Purchase of land and building is envisaged:**
- **The borrower provides primary security or primary and collateral security put together in the form of vacant land, land & building, Approved Securities to the minimum extent of 125% of the sanctioned limit.**

Proposed Loan	Purpose	Security comfort for waiver of CGTMSE
Rs 100 TL	Construction of building	125% of sanctioned limit in the above forms. ie Rs 125 lac

Collateral for waiver of CGTMSE 515/25

- B) If loan is for working Capital/Term loan/Working Capital plus Term loan, where hypothecation of fixed assets and current assets are only involved:
- The borrower provides Immovable securities in the form of vacant land, land & building and Approved Securities to the minimum extent of 100% of the sanctioned limit

Proposed Loan	Purpose	Security comfort for waiver of CGTMSE
Rs 100 lac TL	Purchase of Machinery	For Rs 125 lac 100% security comfort ie Rs 125 lac over & above hypothecation of assets created out of bank finance
Rs 25 lac Working Capital	Towards current asset	

Collateral for waiver of CGTMSE 515/25

- In case of composite loans where a) Term loan for construction, Purchase of land and building, b) TL for Purchase of Machinery or Equipments and Working Capital are involved, Security comfort of 125 for a and 100% for b to be considered to arrive at overall security comfort

Proposed Loan	Purpose	Security comfort for waiver of CGTMSE
TL Rs 75 lac	for purchase of land and building	125% of Rs 75 lac ie Rs 93.75 lac
TL Rs 25 lac	For purchase of machinery	100% of Rs 25 lac ie Rs 25 lac besides hypothecation
WC Rs 25 lac	For current assets	100% of Rs 25 lac ie Rs 25 lac besides hypothecation

Collateral for waiver of CGTMSE 515/25

- Vacant land can be accepted as collateral security to the maximum extent of 25% of the stipulated security comfort (in terms of value), provided it has clear demarcation and boundaries with approach roads which is approved by any competent authority/statutory body approved by government and is SARFAESI compliant.
- Borrower is rated Low, Normal or Medium Risk based on the latest balance sheet available
- If the existing borrower seeks enhancement in limit or additional exposure should necessarily be covered under the same guidelines in respect of collaterals as applicable to prospective borrower
- *Land on which construction is proposed shall be considered as a land & building, as building shall be constructed out of Bank's finance. Hence, the clause of 25% stipulated security comfort with respect to vacant land shall not be applicable in such case.*

CGTMSE Modification

- **174/25 – MSEs by Transgender Entrepreneur, shall be eligible for concession of 10% in the Standard rate of annual guarantee fee and higher extent of guarantee coverage of 85%.**
- **The above is applicable for guarantees approved on or after 1.3.25**
- **The revised guarantee cover percentage is given in next slide**

CGTMSE Modification

✓ 868/2024- & 174/25 Extent of Guarantee cover

	Guaranteed Credit Facility upto Rs 5 lac (%)	>5 lac upto 50 lac	>50 lac upto 500 lac
Micro Enterprises	85	75	75
MSEs Located in NE, UT J&K, Ladak	80	80	75
Women	90	90	90
SC/ST, ZED Certified MSES, PwDs, Promoted by Agniveers	85	85	85
Transgender	85	85	85
Others	75	75	75

Cover is 5% more for MSEs situated in Credit Deficient Districts ⁶⁷

LEARN TO LEAD WITH BEST
WISHES FROM L JAGENNATH

CGTMSE Modification

- ✓ **175/25** – MLIs can apply for guarantee cover at any time during the tenure of the loan provided the credit facility is not restructured / remained in SMA 2 status in the last one year from the date of submission of the application.
- ✓ Accounts classified as fraud, willful default is not eligible for claim settlement
- ✓ Accounts slipped to NPA within 90 days from the material date shall not be eligible for claim settlement.

CGTMSE Modification

- ✓ **Credit facilities sanctioned without creating / obtaining primary security unless specifically provided for will not be eligible for cover.**
- ✓ **Annual Guarantee Fee to be paid for all live accounts excluding the accounts for which claim has been lodged.**

CGTMSE Modification

- ✓ **Second and final instalment can be lodged after completion of 3 years from the settlement of first claim or OTS (after receipt of full claim) which ever is earlier.**
- ✓ **Annual Guarantee Fee Revised 175/24, 190/25 & 199/25 1.4.25**

Loan amount	Standard Rate (%) Pa	Earlier rate
0 – 10 lac	0.37	0.37
>10 lac – 50 lac	0.55	0.55
>50 lac – 1 cro	0.60	0.60
>1 cro upto 2 cro	0.85	1.20
>2 cro upto 5 cro	1.00	1.35
>5 cro upto 8 cro	1.10	1.10
> 8 cro upto 10 cro	1.20%	1.20

**LEARN TO LEAD WITH BEST
WISHES FROM L JAGENNATH**

Vidya Taurant

- **177/25 & 626/2025** – Number of institutions now reduced to 66
- **Category A** Rs 50 lac 2 institutions
- **Category B** Rs 40 lac 10
- **Category C** Rs 30 lac 54
- **193/25:** Revised Definition of MSME: wef 1.4.25
- **Micro** – Investment in P&M or Equipment does not exceed Rs 2.50 cro and turn over does not exceed Rs 10 cro

Revised Definition of MSME

- **Small enterprise:** Investment in P&M or Equipment does not exceed Rs 25 cro and turn over does not exceed Rs 100 cro
- **Medium enterprise:** Investment in P&M or Equipment does not exceed Rs 125 cro and turn over does not exceed Rs 500 cro

Revised guidelines for obtaining LEI for Non Individual Borrowers – 10/25

Total Exposure	Time Line – On or Before
Rs 5 cro & above upto and inclusive of Rs 10 cro	30.4.2025
Above Rs 10 cro and upto and inclusive of Rs 25 cro	30.4.2024
Above Rs 25 cro and upto and less than Rs 50 cro	30.4.2023

Not Applicable for Individual Borrowers – Exposure from (FB +NFB + Investment) all banks and other All India Financial Institutions

Revised guidelines for obtaining LEI for Non Individual Borrowers –

- ✓ 20 digit alpha numeric unique code assigned to entities by Legal Entity Identifier India Ltd for entities in India - a subsidiary of Clearing Corporation of India
- ✓ Valid for one year from the date of obtention
- ✓ Update the LEI code along with expiry date in CBS –CIM17 – CIM 66 (78/25)
- ✓ Helps to find out the exposure to a party
- ✓ To appear in the first page of Office note placed to sanctioning authority

Revised guidelines for obtaining LEI for Non Individual Borrowers – 10/25

- ✓ New Borrower entity will not be entertained without the LEI as per Schedule
- ✓ Renewal/Enhancement including Adhoc, TOD to existing parties not to be permitted without LEI as per schedule.
- ✓ LEI shall be incorporated on the 1st page of Office note placing to Sanctioning Authority and also on 1st page of sanction letter communicated by Branches / Offices.
- ✓ EC – Broken Period EC- Periodical EC 98/24 All accounts including NPA excluding accounts covered under Legal Audit – once in 3 years

Credit Sanctions – Points to be taken care

- ✓ Unique Document Identification Number (UDIN)- Institute of Chartered Accountant of India. (328/2019) CAs to upload the documents, Certificates, reports certified attested issued by them in portal <https://udin.icai.org>.
 - ✓ Compare balance sheet as uploaded in CA web site with MOCA web site.
 - ✓ Disbursement directly to Dealer
 - ✓ Method of sending proceeds to Dealer for loans.
- 258/2025**

Credit Sanctions – Points to be taken care

- ✓ Sanction terms and conditions against Ack – EMI – Due date – SMA - Charges
- ✓ KFS from 1.10.24 -350/24 223/2025 – Annual Percentage Rate which is annual credit cost to borrower including interest and all other charges – ensure given to borrowers against ack.
- ✓ Penal Charges 136/24 – 1.4.24

Credit Sanctions – Points to be taken care

- ✓ **Safe keeping of Mortgage Papers SOP 240/23**
- ✓ **Half yearly balancing of loan papers and mortgage documents including the closed ones where the mortgage documents not yet released and confirmation to RO - 266,600/2024 and 109/2025**

Time Line for verification of loan and mortgage papers papers 266 & 600/24 and 109/25

- **Half yearly balancing of loan papers and mortgage papers including closed loan which are yet to be delivered to customers 20th Feb and 20th Aug and also during RBIA**
- **Branches to submit reports by 28th Feb and 31st Aug to RO for branches coming under RO other wise to CO**
- **RBIA Officials, Overseeing executives and Concurrent auditors to verify during their visit**

Time Line for verification of loan and mortgage papers papers 266 & 600/24 and 109/25

- RO to depute officials (not below Scale 2) to cross verify by 25th Feb and 25th Aug and submit report (**Stands with drawn 109/25**)
- RO to submit confirmation to CO by 20th March and 20th Sep
- CO To submit the report by 31st March and 30th Sep to CA&M Wing HO.
- Branches to submit Reports as per Annx I of Circular **600/24** to operations Section

Time Line for verification of loan and mortgage papers papers 266 & 600/24 and 109/25

- **RO to CO as per Annex III**
- **CO to HO as per Annex IV**
- **GL balancing is out of the purview of this circular**

Credit Sanctions – Points to be taken care

- ✓ Release of original documents mortgaged as per LSR **849/2023 223/2025** Clear the charges and release within 30 days . If documents lost duplicate through panel advocate within 60 days. If not released within 30/60 days Rs 5000 per day to customer.
- ✓ If not collected by customers within 30 days customer to pay Rs 500 per month and for Gold packet Rs 200 per month

ECAI Rating : 215/2025 223/25

- **Exposure above Rs 50 cro(FB+NFB) from our bank to be ECAI Rated– (excluding exposure which are fully secured by our bank deposit) 215/2025**
- **If not additional interest / Commission irrespective of exposure to be charged as under 223/25**
- **For Fund based facilities 0.50% p.a**
- **For Non Fund Based facilities 0.10% pa**
- **ED CAC is the authority to waive ECAI rating**

ECAI Rating : 215/2025 223/25

- **Even in cases where ECAI rating is waived by specific authorities additional interest as above to be collected unless specifically permitted by ECAI rating waving authority.**
- **Waiver is valid till next review / renewal**

ECAI Rating 215, 223/25

- **Accounts fully secured by State / Central Govt guarantee Circle Head CAC and above authorities can waive ECAI rating for accounts upto their delegated powers. Additional interest / commission of 0.50% or 0.10% need not be charged for non obtention of ECAI Rating 223/25**

ECAI Rating 215, 223/25

- **ECAI accepted by the bank for Domestic Rating 223/25**
- **Credit Analysis and Research Ltd. (CARE)**
- **CRISIL Ratings Ltd. (CRISIL)**
- **India Ratings Ltd (Formerly Fitch Ratings India Pvt Ltd. [FITCH])**
- **ICRA Ltd. (ICRA)**
- **ACUITE Ratings and Research Ltd (Erstwhile SMERA)**
- **INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)**

ECAI Rating

- Fresh rating from Brickwork Ratings India Pvt Ltd for bank loans not exceeding Rs 250 cro can be accepted wef 10.7.24 – Restriction removed **481/25**
- **International Rating 223/25**
- Fitch Ratings Ltd. (FITCH)
- Moody's Investor Services Ltd. (MOODY'S)
- Standard & Poor Rating Agencies Ltd. (S&P)

Down Gradation of Risk Rating and Additional interest 215/2025

- Immediately on receipt of the External Rating or
- internal rating based on audited annual accounts of the borrower, the account shall be reviewed.
- In case of deterioration in the risk rating grade, the pricing (including concession) shall be reviewed to examine the need for continuation or withdrawing the concession, if any, permitted.

Down Gradation of Risk Rating and Additional interest 215/2025

- However, till the time the process of review of pricing is completed, additional interest over & above the contracted rate to be levied

Down Gradation of Risk Rating and Additional interest 215/2025

- Down Gradation of Risk Rating (External) – Additional interest to be charged as under:

Existing	New Rating	Add Int	New Rating	Addl Int	New Rating	Add Int	<i>In all the cases if it becomes unrated, additional interest to be charged is 1%</i>
AAA	AA	0.50%	A,BBB,B B,B, C	1%	D	1.50%	
AA	A	0.50%	BBB,BB, C	1%	D	1.50%	
A	BBB	0.50%	BB,B,C,	1%	D	1.50%	
BBB	BB	0.50%	B,C,	1%	D	1.50%	
BB	B	0.50%	C	1%	D	1.50%	
B	C	0.50%			D	1.50%	
C					D	1.50%	

Down Gradation of Risk Rating and Additional interest 215/2025

- **Customers having ECAI rating withdrawn/suspended/expired or without bank's name and exposure details in respective press release by rating agencies are to be treated as unrated exposures.**
- **In cases where the external rating agency has classified the account as "Issuer Not Co-Operating", in such cases, additional rate of interest shall be applicable as per the revised external rating published by the rating agency.**

Down Gradation of Risk Rating and Additional interest 215/2025

- Down Gradation of Risk Rating (Internal) – Additional interest to be charged as under:

Existing	New Rating	Add Int	New Rating	Addl Int	New Rating	Add Int
CNR I	CNR II	0.50%	CNR III to CNR XI	1%	CNR D	1.50%
CNR II	CNR III	0.50%	CNR IV to CNR XI	1%	CNR D	1.50%
CNR III	CNR IV	0.50%	CNR V to CNR XI	1%	CNR D	1.50%
CNR IV	CNR V	0.50%	CNR VI to CNR XI	1%	CNR D	1.50%
CNR V	CNR VI	0.50%	CNR VII to CNR XI	1%	CNR D	1.50%

Down Gradation of Risk Rating and Additional interest 215/2025

- Down Gradation of Risk Rating (Internal) – Additional interest to be charged as under:

Existing	New Rating	Add Int	New Rating	Addl Int	New Rating	Add Int
CNR VI	CNR VII	0.50%	CNRVIII to CNR XI	1%	CNR D	1.50%
CNR VII	CNR VIII	0.50%	CNR IX to CNR XI	1%	CNR D	1.50%
CNR VIII	CNR IX	0.50%	CNR X to CNR XI	1%	CNR D	1.50%
CNR X	CNR XI	0.50%			CNR D	1.50%

Rating Grades

CNR I	Minimal Risk I
CNR II	Minimal Risk II
CNR III	Low Risk I
CNR IV	Low Risk II
CNR V	Low Risk III
CNR VI	Normal Risk
CNR VII	Moderate Risk I
CNR VIII	Moderate Risk II
CNR IX	High Risk I
CNR X	High Risk II
CNR XI	High Risk III
CNR D	Default Grade

Down Gradation of Risk Rating and Additional interest 215/2025

- ✓ If both internal and external ratings are available, additional interest etc to be charged based on external rating.
- ✓ If external rating is not available additional interest is based on internal rating.

Down Gradation of Risk Rating and Additional interest 215/2025

- If down gradation is by 2 notches and more
- 25% additional collateral in the form of immovable properties or any other approved securities to be obtained within 6 months of down gradation
- The additional interest shown in the table to be charged till additional collateral is obtained.

Down Gradation of Risk Rating and Additional interest 215/2025

- **If additional collateral not obtained within in 6 months additional interest of 1% over and above the additional interest shown in the table to be charged.**
- **In all the cases the concerned sanctioning authority can reduce the additional interest, additional collateral etc.**

Down Gradation of Risk Rating and Valuation

211/2025

- If down gradation by one notch no need for fresh valuation if the previous valuation report is not more than 6 months old. Otherwise within 3 months
- If down gradation is by 2 notches then fresh valuation to be taken within 3 months of down gradation irrespective of the date of previous valuation.
- Applicable for both fixed and inventory

Upgradation of Rating and Interest Concession: 757/23, 258/24,520

- ✓ If upgradation of rating takes place interest concession to be given as under: External rating upgradation

Existing -----Revised-----

	AAA	AA	A	BBB
AA	0.25%			
A	0.50%	0.25%		
BBB	1.00%	0.75%	0.50%	
BB	1.25%	1.00%	0.75%	0.75%
B	1.25%	1.25%	1.00%	0.75%
C	1.25%	1.25%	1.25%	1.00%
D	1.25%	1.25%	1.25%	1.25%

LEARN TO LEAD
WITH BEST WISHES FROM L JAGENNATH

Upgradation of Rating and Interest Concession: 757/23, 258/24,520

Existing

Revised

	CNR I	CNR II	CNR III	CNR IV	CNR V	CNR VI	CNR VII
CNR IV	0.15%	0.15%					
CNR V	0.15%	0.15%					
CNR VI	0.25%	0.25%	0.15%	0.15%			
CNR VII	1.00%	1.00%	0.50%	0.50%	0.25%		
VIII	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%	
IX	1.25%	1.00%	1.00%	0.75%	0.50%	0.50%	0.25%
X	1.25%	1.25%	1.00%	0.75%	0.75%	0.50%	0.50%
XI	1.25%	1.25%	1.25%	1.00%	0.75%	0.75%	0.50%
CNR D	1.25%	1.25%	1.25%	1.25%	1.00%	0.75%	0.75%

Upgradation of Rating and Interest Concession: 757/23, 258/24,520

- ✓ Whenever there is an upgradation in the external or internal rating of the Borrower, for exposures above Rs. 7.50 Crores which are subject to be rated under CIRM or are eligible to be rated by ECAs, concession in the rate of interest may be given by the branches, Offices.
- ✓ The ultimate rate should not fall below RLLR or MCLR. All sanctions terms and conditions to be in place

Upgradation of Rating and Interest Concession: 757/23, 258/24,520

- ✓ **Where both external and internal ratings are available, benefit of reduction in ROI shall be given only on upgradation of external ratings.**
- ✓ **The concessions shall be valid till the next review/renewal/reset of the credit facilities.**

Upgradation of rating and interest concession 149/2025

-
- ✓ Interest concession will not be given automatically in case of upgradation of rating. Authorities to permit concession on a case to case basis.
 - ✓ Below Circle Head Power Accounts – Circle Head CAC
 - ✓ Circle Head CAC Power Accounts – CGM/GM HO CAC
 - ✓ HO Power – RSAs
 - ✓ MC Power – CAC of the Board
 - ✓ Proposals to be permitted subject to certain conditions.

Credit Sanctions – Points to be taken care

- ✓ AOD – Feeding in CBS - FP- BA 020 – BI 331107 – PRR 12 Last Friday of Jun and Dec.
- ✓ SMS to registered mobile of borrowers on completion of 30th 32nd and 34th month if AOD is not obtained and not updated in CBS -834/24 from 15th Dec 2024

Credit Sanctions – Points to be taken care

- ✓ **Fixation of repayment period:**
- ✓ **Residual Life and last repayment instalment date (5 years & 10 years)**
- ✓ **Eg HL Residual life 15 years. If loan is given today, the last repayment date should be 5 years from today so that the left out residual life of the property will be 10 years after last repayment date.**

Credit Sanctions – Points to be taken care

- ✓ **23/25** Ensure new Gold Loans are not sanctioned to close existing gold loans
- ✓ End use of the proceeds of the new GL to be ensured. End use to be properly documented.
- ✓ Obtain and upload of proof of land records for agricultural gold loans where aggregate sanction limit is above Rs 1 lac

Credit Sanctions – Points to be taken care

- ✓ **37/25 Credit Facilities sanctioned by MSME Sulabh – to be reviewed in LAPS by next higher individual authority at RO before disbursement – Renewal with enhancement, midterm enhancement and fresh proposals including take over sanctioned by MSME Sulabh**
- ✓ **Proposals upto Rs 1 cro to be reviewed within 2 working days and above Rs 1 cro within 3 working days**

Credit Sanctions – Points to be taken care

- **94/25** – Gold Loan -Checking through Gold Purity Testing Machines by the branch officials after appraising by jewel appraiser – Report generated through the system attached to the GPTM to be signed by the staff tested the purity, branch in charge and borrower. To be attached with GL Application. Weekly report by branches to RO as per format
- **400/2025:** Early closure of Gold Loans – within a month of disbursement – Oracle Business Intelligence Report 271025 and 271025 A – A prefilled format – branches to send to RO before 7th of succeeding month.

Credit Sanctions – Points to be taken care

- **821/2024** – Introduction of Gold Packets inward and outward Register- NB 191 - for recording inward and outward movement of GL packets.
- Gold loan balancing report monthly last Friday to be generated – Packets are to be checked and confirmation to be given by key holders in NB 191 last few pages as per the format in the Circular.

Credit Sanctions – Points to be taken care

- **2/2025 - Introduction of Sequence number for Gold Loans:**
- **To facilitate easier arrangement and balancing of GL packets 17 digit sequence number introduced**
- **First 5 digits – Branch Code**
- **Next 2 digits - Year of loan in YY format**
- **Next 5 digits – Product code**
- **Next 5 digits - Running serial number for that particular Product.**
- **In addition to 12 digit loan account number CBS will generate 17 digit sequence number**

Credit Sanctions – Points to be taken care

- Can be viewed in CBS FP LNM 10, ALM 10 and CH031
- Sequence number balancing report can be generated in BAX 606
- Branches to document the Sequence number populated in LAPS in GL application NF 497, GL sanction letter cum pass card NF 1075, GL Ticket NF 367 and GL packets inward and outward register NB 191.
- **497/25** Sequence number for Retail Loans – Can be viewed in CBS FP LNM 10 to be documented in loan application and documents

Consent Code for Credit Proposal 8/2025

- Branches to enter in LAPs the applications on the same day of submission by borrowers
- System will generate a consent code (OTP) and delivers to customers registered mobile number
- The same to be validated in LAPs to process the application in LAPs
- For generating Credit Information Report from CICs through LAPs a consent code will be sent to customer while fetching the Customer ID. This has to be validated for further processing of CIR.

Consent Code for Credit Proposal 8/2025

- Customer can track the status of loan application through Loan application tracker portal in banks corporate website. Customer can log in the portal with customer ID
- A consent code is sent to customer registered mobile to log in the portal and check status
- LAPs have the provision to reject the application with date of rejection and with reasons
- Sanctioning authority can hold the application for delay in submission of documents by customers.
- Except for Gold Loan and EL

Credit Sanctions – Points to be taken care

- 896/2024 – Pre release audit
- Exposure Rs 2 cro and above both for new and existing parties
- Rs 2 to Rs 3 cro Scale II and above (preferably second line Managers and senior managers from neighboring branches)
- Rs 3 cro and above Scale III, IV & above working in RO/CO
- Retail lending Rs 5 cro and above – Loans which are backed by mortgage (primary / collateral)

Credit Sanctions – Points to be taken care

- ✓ **Relatives:** 1)Spouse, 2) Father, Mother, Son, Son's wife, Daughter, Daughters husband, Brother, Brother's wife, Sister, Sister's husband, Brother of the spouse, Sister of the spouse.
- ✓ **Close Relative:** Father, Mother, Spouse, Brother, Sister, Son, Daughter
- ✓ **Close Relatives for Retail Loans:**Spouse, Father, Mother Son, Son's Wife, Daughter, Daughter's Husband, Brother, Sister.(51/23)

Credit Sanctions – Points to be taken care

- **Loans and Advances to close relatives of Borrowers:**
 - Proposals of close relative (other than Agri and Personal (Retail loans) of individual borrowers, proprietor in case of proprietorship firms and partnership firms where any of the partners are close relatives shall be placed before the next higher authority for sanction.
 - Not applicable for accounts falling under the delegated power of Circle Head CAC and above authorities
- 258/2025**

Loans to close relative of existing Borrower

Borrower	Existing Loan	Close Relative	Loan Sought for	Sanctioning Authority
MR X	Business Loan, Agri &/ or Retail	Mrs X	Agri & / or Retail	RSA
MR X	Business Loan, Agri &/or Retail	Mrs X	Business Loan, Agri &/ or Retail loan	NHA for Business Loan-RSA for other loans
MR X	Agri & / or Retail	Mrs X	Business Loan/Agri&/or Personal	RSA
MR X	Agri & / or Retail	Mrs X	Agri & / or Personal	RSA

Loans to close relative of existing Borrower

Borrower	Existing Loan	Close Relative	Loan Sought for	Sanctioning Authority
Props Mr X Pro	Business Loan, Agri &/ or Retail	Mrs X	Agri & / or Retail	RSA
	Business Loan, Agri &/or Retail	Mrs X	Business Loan, Agri &/ or Retail loan	NHA for Business Loan-RSA for other loans
	Agri & / or Retail	Mrs X	Business Loan/Agri&/or Personal	RSA
	Agri & / or Retail	Mrs X	Agri & / or Personal	RSA

Loans to close relative of existing Borrower

Borrower	Existing Loan	Close Relative	Loan Sought for	Sanctioning Authority
Partship (C&D Partners)	Business Loan, Agri &/ or Retail	Mrs D	Agri & / or Retail	RSA
	Business Loan, Agri &/or Retail	Mrs D	Business Loan, Agri &/ or Retail loan	NHA for Business Loan- RSA for other loans
	Agri & / or Retail	Mrs D	Business Loan/Agri&/or Personal	RSA
	Agri & / or Retail	Mrs D	Agri & / or Personal	RSA

DELEGATION OF POWERS

- **Loans and Advances to close relatives:**
- **Sanctioning of loans to Partnership firms where the partners are close relatives – Respective Sanctioning Authority (RSA)**
- **Loans to a Partnership firm any of the partners are close relatives of partners of another Partnership firm which is enjoying limits - NHA**
- **Renewal without enhancement by respective sanctioning authority if on previous occasion sanction accorded by next higher authority. With enhancement prior clearance from next higher authority**

Loans against Domestic Term deposit

621 & 624 /2023

- ✓ Loans against domestic term deposit standing in the name of the depositor
- ✓ Normal Margin 10%
- ✓ Interest rate:
- ✓ 2% above the deposit rate for loan upto and inclusive of Rs 2 cro
- ✓ 1% above the deposit rate for loan above Rs 2 cro
- ✓ For loans against NRE/FCNR 2% above deposit rate continues

Loans against domestic term deposit

Loans against our Domestic Term Dep: Rs in lacs

Branch	TO Depositors	TO Third Party	Minors Deposit
Scale I	25	5	1
Scale II / Cr Manager in VLB/ELB	50	8	2
Scale III /SM in VLB/ELB	75	10	3
CM in VLB / Specialised Brs	1000	300	25
AGM/DGM in ELB Spe Brs	1000	500	500
DGM/AGM heading LCBs	5000	500	500

**LEARN TO LEAD
WITH BEST WISHES FROM L JAGENNATH**

Modification in Interest against Deposit 621&624/2023

- ✓ Loans against domestic term deposit standing in the name of the depositor – Delegation for reduction in margin & interest

←----Loan upto Rs 2 cro--→

←--- Above Rs 2 cro-----→

Authority	Minimum Margin	Rate of interest over deposit rate	Authority	Minimum Margin	Rate of interest over deposit rate
Branch in charge	10%	2%	Branch in charge	10%	1%
ROHeadCAC	10%	1%	ROHeadCAC	10%	1%
CircleHeadCAC	5%	1%	CircleHeadCAC	5%	1%
CGM/GM HO CAC	5%	0.75%	CGM/GMHO CAC	5%	0.70%
ED CAC	5%	0.50%	ED CAC	5%	0.50%
Board CAC	5%	Beyond the delegated power of EDCAC	Board CAC	5%	Beyond the delegated power of EDCAC

Reduction in margin only if unexpired period of deposit more than 45 days

LEARN TO LEAD WITH BEST
WISHES FROM L JAGENNATH

Loans against NRE/FCNR deposit

Loans against our NRE/FCNR Dep:

- ✓ Min margin is 25% if the loan is to depositors or to third parties
- ✓ In respect of branches headed by Scale I, II & III AGM RO CAC and above authorities can reduce it to 10% upto their delegated powers.
- ✓ CM/AGM/DGM of VLB, ELB and LCBs, Specialised branches can permit reduction in margin to 10% upto their delegated powers.
- ✓ If margin is reduced by authorities below RO Head CAC no concession in interest rate is permitted.

Loans against NRE /FCNR deposit

Loans against our NRE/FCNR Dep:

Branch	TO Depositors	To Third Party
Scale I	30	3
Scale II /Cr Manager in VLB/ELB	100	5
Scale III / SM in VLB/ELB	100	7.50
CM	300	300
AGM/DGM	Full Powers	Full Powers

Loans against deposit

- ✓ Loans against NRE, NRO & FCNR deposit – Interest is 2% above deposit rate irrespective of loan amount. Margin 25%. Authorities who can reduce margin and interest

Authority	Minimum margin	Interest rate
RO Head CAC	10%	1% above deposit rate
Circle Head CAC	5%	1% above deposit rate
CGM /GM HO CAC	5%	0.75% above dep rate
ED CAC	5%	0.50% above dep rate
CAC of the Board	5%	Reduction in interest beyond EDCAC power

Preferential Interest rate on deposit

92/2024

- **Domestic SB- Employees, ex employees, spouse of deceased employee or spouse of deceased ex employee 1% additional**

Domestic Term deposit

- **Employees 1%**
- **Exemployees 1%**
- **Exemployee Sr Citizen 1.50%**
- **Spouse of deceased employee or exemployee 1%**
- **What additional interest rate to be given for spouse of deceased employee or ex employee when the spouse is a Senior Citizen?**

Loans against deposit to Employees 451/2018

- **Loans against our term deposits to employees and others who are eligible for preferential interest rate on deposits. (92/24)**

Loan amount	Interest Rate
Upto Rs 1 lac	0.25% above the deposit rate
>Rs 1 lac upto Rs 5 lac	0.50% above the deposit rate
>Rs 5 lac upto Rs 10 lac	1.00% above the deposit rate
>Rs 10 lac	As applicable to Customers

For loans above Rs 10 lac Circle Head CAC can reduce ROI upto 1% above the deposit rate. This is for the entire loan amount without any slab rate as above 257/24 & 258/2025

External Due Diligence Report 70/2025

- ✓ **Obtention of external due diligence report from empaneled agencies for MSME units who approach our bank for the first time for credit facilities above Rs 10 lac and eligible to be covered under CGTMSE 577/21, 610/22, 464/23, 641 & 666/2024 & other MSME units - Agencies with MOU are narrated**
- ✓ **External Due Diligence (EDD)-MSME in SAS module – Placing request to agencies and payment of service charges through this package only. (464/23)**

External Due Diligence Report 70/2025

- ✓ **641/24:**
- ✓ **Acumen Business Consultancy Pvt Ltd – Renewed 3.8.24 to 2.8.27 – Charges Upto Rs 2 cro Rs 5000 - >2 cro upto 10 Cro Rs 7500 and >Rs 10 cro Rs 10000**
- ✓ **Infomerics Analytics and Research Private Ltd – 15 9 24 to 14 9 26 – Charges upto Rs 25 lac Rs 5500, >25 lac upto Rs 75 lac Rs 7500 & > Rs 75 lac Rs 9500**

External Due Diligence Report 70/2025

- ✓ **641/24:**
- ✓ **CRIF Solutions Pvt Ltd – Renewed 20.9.24 to 19.9.26 – Charges Upto Rs 75 lac Rs 5000 - >75 lac Rs 6000**
- ✓ **70/25 – MOU entered with M/s. B2K Analytics Pvt Limited (formerly known as M/s. Brickworks Analytics Pvt Limited) is renewed for a further period of 3 years with existing charges, valid from 28.01.2025 to 27.01.2028.**
- ✓ **Charges to be paid – Loan amount upto Rs 25 lac Rs 6500, Above Rs 25 lac upto Rs 75 lac Rs 8500 and above Rs 75 lac – Rs 10500.**

External Due Diligence Report 70/2025

- ✓ Branches to send all the details to the designated email of the agency through EDD package
- ✓ Agency to send soft copy of the report within 3 working days to get the full fees
- ✓ After 3 working days upto 7 – 50% of charges to be paid
- ✓ After 7 working days – no charges to be paid

Loans to Stressed Sector 72/2025

- **72/2025 – (earlier 52/25)**
- **Sanction of loan to borrowers under sectors identified as stressed sector by bank – modified guidelines**
- **CANNET → Risk Management Wing Web Page → Industry Research Desk → Stressed Sectors**

Loans to Stressed Sector 72/2025

- New customers – including takeover - To be sanctioned with
- 100% Collateral coverage in the form of residential/commercial property / approved securities.
- Or
- Facilities Fully covered by Central and/or State Govt./CGTMSE/CGFMU Guarantee.
- customers not having any existing credit facilities with our Bank shall be treated as new customers

Loans to Stressed Sector 72/2025

- ✓ **For existing borrowers: If they have collateral coverage more than 100% - RSAs can permit enhancement / additional limits subject to 100% collateral coverage including the enhancement/ additional limit**
- ✓ **For existing borrowers having less than 100% collateral Coverage**

Loans to Stressed Sector 72/2025

- ✓ RSAs can permit with 100% collateral coverage for the additional limits.
- ✓ If it is less than 100%, NHA can permit subject to maintaining collateral coverage at the existing levels.
- ✓ In all the cases (new and existing borrowers) CGM/GM HOCAC and above authorities may permit relaxations on a case to case basis for accounts upto their delegated powers.

74/2025

-
- ✓ **74/25 – Revised list of Top Ranked abroad universities under EL for Masters Degree abroad – 98 universities in the list – Scheme guidelines 442/22**

Compensation for Customer for delayed rectification / updation of Credit Information

- ✓ 318/24 & 97/2025
- ✓ Credit Institutions (CIs) to send SMS/email to customers while submitting information to CICs regarding default / Days Past Due
- ✓ Customer Consent for generation of CIC report to be obtained as per the format by CIs.
- ✓ CICs to send SMS/email to customers when their CIR is accessed.
- ✓ Complaints regarding CIR to be lodged in CPGRS portal wef 20.4.24

Compensation for Customer for delayed rectification / updation of Credit Information

- ✓ CIs to have nodal point of contact by CICs for customer complaint redressal. In our bank it is “ALL CIC Section” RLFP Wing.
- ✓ Any change in nodal point of contact to be informed to CICs within 5 calendar days of change
- ✓ CICs to update the data of customers received from CIs within 7 calendar days of receipt
- ✓ In case of rejection CICs to inform the CIs reasons for rejection within 7 calendar days of receipt
- ✓ CICs to provide easy access in their web sites Free Full Credit Report (FFCR) once in a calendar year Jan to Dec to customers.

Compensation for Customer for delayed rectification / updation of Credit Information

- ✓ If complaints by customers not resolved within 30 calendar days from the date of initial filing of complaint either with CIs or CICs a compensation of Rs 100 per calendar day.
- ✓ CIs to send the corrected data to CICs within 21 Calendar days from the date when CIs are informed of the inaccuracy of the data either by the customer or by CIC
- ✓ CICs to update the corrected credit information in the remaining 9 Calendar days.

Compensation for Customer for delayed rectification / updation of Credit Information

- ✓ If the complaint is rejected the reasons to be informed to the customer within the time line.
- ✓ Complaint to be resolved within 30 calendar days. The date of resolution is the date when the rectified CIR is sent to the Complainant by CIC or by CI to the postal address or email ID provided.
- ✓ Compensation to be credited within 5 working days of resolution of the complaint
- ✓ Customer IDs with Nil or invalid mobile numbers are available in BO 371038

Revision in Liquidity Premium 264/25

Tenor	Existing (%)	Revised (%)
>1 year to 2 years	0.10	0.20
>2 year to 3 years	0.15	0.25
>3 Years to 5 years	0.25	0.25
>5 years to 7 years	0.30	0.30
>7 years to 10 years	0.30	0.30
>10 years	0.45	0.45

➤ For all new rupee loans repayable in more than 1 year (wherever applicable) sanctioned ~~wef 1.4.2025~~

Risk Weight

-
- **150/2025** – For Micro Finance Loans in the nature of consumer Credit reduced from 125% to 100% wef 25.2.2025
 - Micro Finance Loans not in the nature of consumer credit which fulfill the four regulatory retail criteria (as mentioned in the Circular 150/25) continues to be at 75%.
 - **151/2025** – Loans to NBFCs (both priority and non priority – Other than NBFC Core Investment Companies) will attract a risk weight based on the ratings given by ECAI for Corporates wef 1.4.2025.

LTV Ratio for Individual HLs sanctioned on or after 1.4.2023 215/2025

Housing Loans sanctioned on or after 1.4.23

Loan quantum	LTV Ratio	Risk Weight %	Standard Asset Provisioning
Upto Rs 30 lac	<=80%	35	0.25%
Upto Rs 30 lac	>80%<=90%	50	0.25%
>30 lac upto Rs 75 lac	<=80%	35	0.25%
Above Rs 75 lac	<=75%	50	0.25%

LTV Ratio 215/2025

Minimum Margin on HL -

Loan quantum	New House/Flat or Old House/Flat upto 10 years old	Old House / Flat more than 10 years old
Upto Rs 30 lac	10%	25%
>30 lac upto Rs 75 lac	20%	25%
Above Rs 75 lac	25%	25%

RISK WEIGHT 215/2025

Commercial Real Estate	100%
Commercial Real Estate (Residential Housing)	0.75%
Capital Market Exposure	125%
Venture Capital	150%
Consumer Credit ie personal loans (excluding Credit Card, HL, Vehicle Loan, Gold Loan & EL)	125%
Credit Card	150%
EL	75%
VL	100%

RISK WEIGHT 215/2025

Gold Loan	125%
Regulatory Retail	75%

Regulatory Retail includes individual segment and Small business (Turnover upto Rs 50 cro) exposure upto **Rs 7.50 cro**

RISK WEIGHT 215/2025

- **Corporates: Long Term Claims: As per rating given by Domestic Rating Agencies**
- | | | | | | | |
|--------|-----|----|----|-----|-----------|---------|
| Rating | AAA | AA | A | BBB | BB& below | Unrated |
| RW(%) | 20 | 30 | 50 | 100 | 150 | 100 |
- **Short Term Claims:**
- | | | | | | | |
|--------|-----|----|----|-----|------|---------|
| Rating | A1+ | A1 | A2 | A3 | A4&D | Unrated |
| RW(%) | 20 | 30 | 50 | 100 | 150 | 100 |
- **EARLIER RATED NOW UNRATED AND EXPOSURE >100 CRO- 150%**
- **All unrated Corporate, having aggregate exposure of more than INR 200 crore from banking system will attract a risk weight of 150%**
- **Short Term Claims: TLs repayable within one year – Long term all OD/OCC and TL repayable more than 1 year**

RISK WEIGHT

- ✓ Loan to NBFCs other than Core investment companies (CICs) Risk weight is as per ratings assigned by rating agencies.
- ✓ Long Term Claims **151/2025**

	AAA	AA	A	BBB	BB& below	Unrated
HFCs	20	30	50	100	150	100
NBFC (Priority)	20	30	50	100	150	100
NBFC (Others)	20 (45)	30 (55)	50 (75)	100	150	100
CICs	100	100	100	100	100	100

RED Before 1.4.25 - Short term claim TLs repayable within one year – Long term all OD/OCC and TL repayable more than 1 year

RISK WEIGHT

✓ Short Term Claims of NBFCs 151/2025

	A1+	A1	A2	A3	A4 &D	Unrated
HFCs	20	30	50	100	150	100
NBFC (Priority)	20	30	50	100	150	100
NBFC (Others)	20 (45)	30 (55)	50 (75)	100	150	100
CICs100	100	100	100	100	100	100

RED Before 1.4.2025. 151/25 NBFCs other than CICs having more than Rs 100 cro exposure from banking system rated earlier but subsequently unrated will attract a risk weight of 150%. Unrated NBFCs other than CICS with more than Rs 200 cro exposure from banking system will attract a RW of 200%

RISK WEIGHT 215/2025

- **Staff Loans:** Fully covered by Superannuation benefits
/Collateral of Residential Property 20% Others 75%
- **Claims on Domestic Sovereign**

Type of Claims	Risk Weight (%)
Direct claims on Central Govt./claims guaranteed by Central Government	0
Direct Credit exposures to State Government. Investment in State Government securities	0
Claims guaranteed by State Government	20
Claims on RBI, DICGC,/CGTSME/ CRGFTLIH/CGFMU	0
Claims on ECGC	20

RISK WEIGHT 215/2025

- **Claims on Foreign Sovereign – will attract RW as per ratings accorded by International Rating Agencies**

S&P/India Ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk Weight	0%	20%	50%	100%	150%	100%

Service Charge for Credit Related Items

- ✓ Last consolidated circular – 826/2024
- ✓ 125/25 Fresh Guidelines: Rs 100 per transaction ie delinking and relinking for replacing term deposit held as margin for LCs/ guarantees during the tenure of LC/Guarantee to be collected Wef 1.4.25
- ✓ Third party deposit taken as margin can not be replaced
- 556/2025: Revision in existing Service Charges for cancellation of bank's lien on government securities/LI policies within one month on closure of the loan : Rs 250 per instrument + OPE (existing Rs 100 per instrument + OPE)- Additional Rs 100 per instrument per month or part thereof

CANARA GST 564/2025

- ✓ **543/2023 Base Circular**
- ✓ **For financing working capital requirement of GST registered MSME Borrowers against collateral securities of immovable properties and / or other approved collateral including our bank deposits.**
- ✓ **564/2025 –**
- ✓ **Periodicity of submission of stock / book debt statement is made quarterly wef 1.10.2025 as against existing half yearly periodicity.**

Credit Guarantee Scheme for Startups (CGSS)

- ✓ Earlier Circulars: 76/23, 564/23(Canara Startup), 836/23,532/24
- ✓ 542/2025- Modifications: Guarantee cover limit enhanced from Rs 10 cro to Rs 20 cro as under:
- ✓ The Trust will provide guarantee cover to *to the extent of 85% of the amount in default for loan amount upto Rs.10 Crores and*
- ✓ *to the extent of 75% of the amount in default for loan amount exceeding Rs. 10 Crores.*
- ✓ *Amount in Default – Liability on the date of NPA or on the date of preferring claim which ever is less*

Credit Guarantee Scheme for Startups (CGSS)

- ✓ Revised Guarantee fee:
- ✓ Women entrepreneurs & Units in NER -1.50%
- ✓ For units from 27 champion sector – 1.00%
- ✓ For all other cases – 2%
- ✓ Guarantee fee is on amount outstanding in respect of term loan and on sanctioned amount for working capital and NFB limits
- ✓ Lock in period is 12 months from the date of commencement of guarantee cover for preferring claim

Credit Guarantee Scheme for Startups (CGSS)

- ✓ Claim to be preferred within a period of 12 months from the date of NPA if the NPA is after the lock in period.
or
- ✓ Within two years of lock in period if NPA is within the lock in period
- ✓ 75% of the guaranteed amount will be paid on preferring the claim by the trust within 60 days of preferring the claim.
- ✓ If there is any delay beyond 30 days in making payment after the 60 days trust will pay interest at repo rate for the period of delay beyond 30 days

Credit Guarantee Scheme for Startups (CGSS)

- ✓ **Balance 25% on conclusion of recovery proceedings by the bank or after write off of the unpaid due of the borrower**
- ✓ **Champion Sectors – 27 sectors identified by the ministry of commerce and industry under the Make in India**
- ✓ **Out of the 25, fifteen are in manufacturing sectors and 12 are in service sectors.**

Service charges revision for SHG/JLG

- ✓ **536/2025** Processing charges waived for loan upto Rs 500000 for the group
- ✓ For loan above Rs 5 lac
- ✓ Working capital – Above Rs 5 lac upto Rs 10 lac 0.15% & above Rs 10 lac 0.20%
- ✓ Term Loan: Above Rs 5 lac – 0.25%
- ✓ Charges to be collected only if the loan availed by a member is above Rs 50000
- ✓ Branches to capture individual members details in FP CIM 22 and individual member loan wise details in BA016 to avoid complaints / income leakage

LEARN TO LEAD WITH BEST WISHES FROM L JAGENNATH

Service charges revision for SHG/JLG

- ✓ If a SHG group of 20 members availed a loan of Rs 10 lakhs and each member availed Rs 50000/- ($20 \times 50000 = 10,00,000/-$) then processing charges are fully waived upto Rs 10 lacs
- ✓ a SHG group of 20 members availed a loan of Rs 10 lakhs and 15 members availed Rs 40000/- each ($15 \times 40000 = 600000$) and remaining 5 members availed Rs 80000 each ($5 \times 80000 = 400000$).
- ✓ Processing charges are waived for Rs 6 lakhs and proportionate service charges to be collected for Rs 4 lakhs for the group are $400000 \times 0.15\% = 600 + \text{GST}$ for Working Capital and $400000 \times 0.25\% = 1000 + \text{GST}$ for Term Loan