MSME

“Strengthening the MSME sector is strengthening the entire society”

Divya Divakar

Updated HO circulars up to Aug 2026

Internal

MSME LENDING

- MSME Classification Matrix – Common for Manufacturing & Services both

(Rs in Cr)

	Sector	Investment in P&M/ Equipments	Total Turnover
a	**Micro Enterprises**	**2.50**	**10.00**
b	**Small Enterprises**	**25.00**	**100.00**
c	**Medium Enterprises**	**125.00**	**500.00**

Internal

- All the above enterprises are required to register online on the Udyam Registration portal and obtain Udyam Registration Certificate
- For PSL purposes Banks shall be guided by the classification recorded in the Udyam Registration Certificate (URC).
- **URN - Udyam Registration Number**
- **URC – Udyam Registration Certificate**
- **Retail & Wholesale Trade will also be coming under MSME – Services, for the limited purpose of Priority Sector Lending (HO Cir 501/2021).**

Internal

Eligibility for becoming a Micro, Small or Medium Enterprise

- Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.
- All the above enterprises are r**equired to register online on the Udyam Registration portal** and obtain 'Udyam Registration Certificate

- R**etail and Wholesale trade are included as MSMEs** for the limited purpose of priority sector lending and are allowed to be registered on Udyam Registration Portal

- The **certificate issued on Udyam Assist Portal (UAP) to Informal Micro Enterprises (IMEs) shall be treated at par with Udyam Registration Certificate** for the purpose of availing Priority Sector Lending benefits. IMEs with an **Udyam Assist Certificate shall be treated as micro enterprises** for the purpose of PSL classification

Internal

- **19 digits** -UDYAM-XX-00-0000000
- URC details to be updated in CBS under **CIM22 option – HO Cir 345/2022**
- **URC details to be updated in CGTMSE portal also. – HO Cir 413/2022**
- **Aadhaar number shall be required** for Udyam Registration.
- The **Aadhaar number shall be of the proprietor in the case of a proprietorship firm**, of the **managing partner in the case of a partnership firm** and of a **karta in the case of a Hindu Undivided Family** (HUF).

Internal

COMMON GUIDELINES / INSTRUCTIONS FOR LENDING TO MSME SECTOR:

Issue of Acknowledgement of Loan Applications to MSME borrowers

Guidelines on rejection of MSME credit facilities:

1. **Rejection of Applications from SC / ST customers by NHA (next higher authority).**
2. **SC / ST Customer - proposals under CAC/MC Powers - MD & CEO or ED in the absence of MD & CEO.**
3. **Rejected GSS (govt. sponsored schemes) proposal to be recorded in a register maintained**
4. **Rejection of credit proposals from MSME is subject to concurrence of NHA.** proposals of CAC/MC powers may be rejected by MD &CEO or ED in the absence of MD & CEO
5. **Rejection of export credit proposals shall be immediately reported to MD &CEO through the concerned Wing at HO.**
6. **Rejection of credit proposals by the branch level authorities shall be recorded in NB-139 package.**

Internal

- Proposals once rejected by a higher authority in case recommended again shall be placed before such higher authority for sanction even though the subsequent proposal/s say, for lesser amount falls within the powers of a lower authority.
- Branches are not empowered to reject any proposals originated through Jansamarth Portal. NHA shall be the authority to reject the proposals received under the Jansamarth Portal.

Internal

Collateral-free Loans to MSEs – RBI (Amendment) Directions 2026

- RBI – Lending to MSME Sector (Amendment) Directions, 2026: Banks **shall not accept collateral** for loans **up to ₹20 lakh** to MSE units (earlier ₹10 lakh). (IC/209/2026, reiterated IC/320/2026; updated MD IC/336/2026)
- Collateral-free loans **up to ₹20 lakh** to all units financed under **PMEGP** (administered by KVIC).
- On good track record & financial position, collateral may be dispensed with for loans **up to ₹25 lakh** (approval of appropriate authority); such loans to be covered under a Credit Guarantee Scheme.
- Applies to MSE loans sanctioned / renewed **on or after 01.04.2026**. Voluntary pledge of gold/silver within the limit is not a violation.
- PMMY **Tarun Plus** (up to ₹20 lakh) – collateral-free; unsecured PMEGP loans must be covered under a credit guarantee scheme.

Internal

Delayed payments by Corporate to SSI

- In no case, the period agreed upon between the supplier and the buyer shall exceed 45 days from the date of acceptance or the day of deemed acceptance.
- In case the buyer fails to make payment of the amount to the supplier, he shall be liable to pay compound interest with monthly rests to the supplier on the amount from the appointed day or, on the date agreed on, at 3 times of the Bank Rate notified by Reserve Bank.
- While sanctioning/renewing credit limits to the large corporate borrowers (i.e. borrowers enjoying working capital limits of 10 crore and above), Bank to fix separate sub-limits, within the overall limits, specifically for meeting payment obligations in respect of purchases from MSMEs either on cash basis or on bill basis

Internal

CIBIL MSME RANK (CMR)

- Applicable to Existing & New MSME loans with aggregate Loan quantum (Present & Proposed) of above Rs.10 lakhs upto Rs.10 crores.- For determining DoP in addition to Risk rating.
- CMR measures MSMEs on a rank scale of 1 to 10, 1 being the best rank and 10 being the worst.
- **FRESH Exposures (New Customers) with CMR 8, 9 & 10 – Not to be considered.**
- CMR has to be generated through LAPS mandatorily (HO Cir - 254/2022).
- Charges for CMR - Rs. 1000/- + GST (CIR Charges - 500/- + CMR Charges - 500/-) - unchanged for new "CV CMR" (IC/846/2025).

Internal

Upgraded CMR – “CV CMR” & ITR Validation

- **CV CMR** by M/s TransUnion CIBIL (IC/846/2025): predicts credit performance over a **15-month horizon** using behaviour of the **past 36 months** (earlier 24 months).
- Scale unchanged: **CMR-1 = lowest risk, CMR-10 = highest**; applies to MSME loans **> ₹10 lakh up to ₹10 crore** (present + proposed).
- Charges unchanged: **₹1,000 + taxes** (CIR ₹500 + CMR ₹500). Existing CMR DoP guidelines (233/2020, 809/2020) continue.
- CMR not applicable for restructuring under OTR/other schemes; for CGTMSE (non-hybrid) accounts, linking of CMR with security for SA is exempted.
- **ITR / ITAO / Form-16 validation** (IC/840/2025): MSME Sulabhs to mandatorily validate online as pre-sanction appraisal and confirm in the office note. Tool: Income-tax portal / **M/s Perfios** web portal.

Internal

Guidelines on Cooling period and financing to non-Wilful Defaulters

- Any Credit Proposal to a Borrower(s) who has settled their dues with our Bank/Other Banks/NBFCs/FIs as part of a OTS/Compromise Settlement shall be subject to a minimum cooling period from the date of settlement as under

Sacrifice Amount (as % of Book liability in our Bank and outstanding in case of Otherbanks/FIs/NBFCs)	Minimum cooling period
Up-to 10%	24 Months
Above 10% and up-to 25%	36 Months
Above 25%	60 Months

Internal

- Gold loans to other than agriculture purpose to be kept out of the purview of additional cooling period over and above 24 Months for the purpose of delegation, r i.e. respective sanctioning authority may sanction gold loans up-to their delegated powers after the cooling period of 24 Months.
- ED-CAC and above authorities may waive the condition of additional cooling period over and above 24 Months for exposures up-to their delegated powers. No authority is empowered to waive cooling period up-to 24 Months.
- Written off accounts/credit card receivables with write-off amount up-to Rs. 10000.00 reported as non-wilful default in CICs may be ignored after a cooling period of 24 Months from the date of settlement/write off

Internal

CMR Guidelines….

- New Customers – Fresh Exposure :

CMR Rank	Sanctioning Auth Guidelines
CMR 1 to 5	Respective Sanctioning Authority (RSA)
CMR 6 & 7	a) **Respective Sanctioning Authority (RSA)** -subject to obtaining **minimum of 100%** by way of immovable properties/approved collaterals/deposits either collateral or Prime or aggregate to the enhanced/fresh exposure. b) In case of **less than 100%** as above, i. Next Higher Authority (NHA) upto **DGM CO CAC powers.** ii. Beyond DGM CO CAC powers- **RSA**
CMR 8, 9 & 10	Not to be considered
CMR -NA	Extant guidelines shall be followed

Internal

CMR Guidelines....

For Renewal of limit : Existing Customer - CMR 1 to 10 – RSA

CMR 1 to 5 : For Fresh (New customer & Existing Customer)- RSA
CMR 1 to 5 : For Renewal with Enhancement -RSA
CMR 6 to 7: Fresh Exposure/Enhancement in existing limit -RSA

(i) No Release /Substitution of property
(ii) No Dilution in security if coverage is 100% or less
(iii) Where security coverage is more than 100%-
Ensure same should not fall below 100% post enhancement/fresh exposure permitted.

If above condition not satisfied: NHA (Upto DGM CO CAC Power)
DGM-CO-CAC (Circle Head) & above a/cs – RSA

Internal

CMR Guidelines....

CMR 8: Fresh Exposure/Enhancement in existing limit

RSA- (i) No Release /Substitution of existing security.

(ii) Security by way of EMT of land and Building/ Approved Collaterals/ Bank Deposit not less than 125% of the overall exposure.

- **If above condition not satisfied: NHA(Upto DGM CO CAC Power)**

DGM-CO-CAC (Circle Head) & above a/cs – RSA*

***Subject to Security by way of EMT of land and building/approved collaterals/ Bank deposits not less than 100 % of the overall exposure.**

CMR 9 & 10: Variation → NHA up to DGM-CO-CAC / DGM-Sulabh-CO-CAC powers; DGM-CO-CAC (Circle Head) & above a/cs by RSA subject to no release/ substitution of property & security comfort not less than 150%.

Internal

RISK RATING

- In case down-gradation in rating is by two or more notches, 25% additional collateral in the form of immovable property / any other approved securities as per collateral management policy other than movable fixed assets / stock / book debts shall be obtained within a time frame of 6 months from the date of downgradation.
- In case additional collateral security is not perfected within six months as stated above, additional interest of 1% (in addition to the additional interest stipulated) shall be charged.

Internal

of MSME Accounts

- Portfolio Model : Loans upto **Rs. 2.00 Lacs**
- Small Value Model : Loans above **Rs. 2.00 Lacs** to **Rs. 20.00 Lacs**
- Manual Model : Loans above **Rs. 20.00 Lacs** to **Rs. 200.00 Lacs**
- CIRM HYBRID Model : Loans above Rs. 200.00 Lacs to Rs. 750.00 Lacs (new & existing, non-greenfield); CIRM : above Rs. 2 Cr where Hybrid not applicable
- Startup Model (IC/430/2026, w.e.f. 10.06.2026): for Canara Start-up accounts – 3 scorecards: up to Rs. 2 Cr / Rs. 2–7.5 Cr / above Rs. 7.5 Cr
- **CBPR : MSME loans for >= Rs.10 crore (FB + NFB).**

Internal

New Guidelines for SVM and MM

- Existing + Proposed, FB + NFB to be considered.
- **Exempted** – Retail, Agriculture, Staff, Against approved Securities, non priority loans for non productive purpose, premises loans, educational loans.
- Rating for Sub Standard and Doubtful categories only if rehabilitation program is under consideration.
- **Periodicity** – Renewal, Review or Adhoc
- **Review of Manual Model** Rating – Executive overseeing (DM/AGM) Assurance Section at the respective Regional Office/Circle Office as a pre-sanction exercise.

- The linking of risk rating application in MSME risk analysis screen of LAPS while opening Loan account will not be enabled if the review of risk rating by the Executive (DM/AGM) Overseeing Assurance Section of the respective RO/CO is not done. Separate Tab in LAPS for Risk Rating under SVM & MM

Internal

Canara Bank Proposal Rating (CBPR)

- Eligibility Criteria: All MSME loans for >= Rs.10 CroreS (FB + NFB):
- a) Exposure to include all loans / facilities including GECL/ ECLGS/ LGSCAS.
- b) Standalone BULC facility shall be out of preview of proposal rating.
- c) BULC facility need not be aggregated to arrive at the eligibilities / applicability for proposal rating.
- d) Facility secured fully by our bank fixed deposit shall be out of preview of proposal rating.

Internal

Canara Bank Proposal Rating (CBPR)

- Applicable for

a) Corporate Loan – **Rs. 10.00 Cr** and above (FB + NFB)

b) MSME – **Rs. 10.00 Cr** and above (FB + NFB)

c) AGRI (INFRA AND FOOD PROCESSING) **Rs. 10.00 Cr** and above (FB + NFB)

- **Pre sanction** exercise to check Go / No Go concept.
- CBPR Rating grades – **1 to 5**. 1 being low risk, 5 being very high risk (NO GO).
- Risk scoring matrix has 7 separate score cards (Existing, First-time, New other than first-time, Schematic, NBFC, Infrastructure, Overseas); ESG parameters for corporates with exposure ≥ Rs. 50 Cr.
- **No fresh exposure / enhancement in NO GO accounts – only MC of the Board can permit (case to case).**
- **Restructured** accounts will be excluded from rating as **NO GO**.

Internal

- CBPR will be applicable in the following cases:
- a) Renewal with enhancement.
- b) Fresh Loans
- c) Renewal / Renewal with reduction in limits, which are having following delinquencies:
- i. CIRM Risk Grade of CNR-IX, X, XI
- ii. ECAI “D” (exposure above Rs. 25 Cr)
- iii. NO-GO rated accounts (Last CBPR Rating)
- In other words, if proposal does not envisage enhancement in exposure and the account is not having above delinquencies (i, ii & iii), CBPR shall not be made applicable.

Internal

Exempted Category:

- a) NPA Account.
- b) Fresh Proposals for Adhoc, Temporary Over Limit (TOL), Canara Credit Support to COVID-19 effected Borrowers (CCS).
- c) FB and/or NFB Limit (secured with 100% Cash margin / by our own deposits) Exposure under above category (b, c) will be excluded from proposed exposure while arriving final exposure to reckon CBPR eligibility.
- d) Government Accounts (State/Center), PSE/PSU and 100% step down subsidiaries of PSE/PSU or accounts with 100% guarantee available from Govt. (State / Central).
- e) Restructured accounts/ proposals will be exempted from CBPR Rating till following period:
- i) Restructured accounts (other than accounts restructures under Resolution Framework for COVID-19 related stress) - till the period of One Year from the date of upgradation of account as Standard.
- ii) Accounts restructured under OTR Scheme for MSME - till the period of one year from the commencement of the first payment of interest or principal, whichever is later. Takeover Proposals of Restructured accounts will be rated under CBPR, even though it is falling under CBPR exempted category. There will be no restrictions to rate proposal as NO-GO.

Internal

No Go Triggers

i. **NPA with other banks**/NBFC/FI as per CIC/CRILC report
ii. **Account Red flagged** by Lenders as per CRILC
iii. Auditors comment in **going concern** concept.
iv. Parent company default with lenders.
v. Entity classified as **a non-cooperative borrower as per CRILC**
vi. Significant Financials Fraud as per CRILC
vii. **External rating downgraded to 'D'** (This will be applicable for proposals with exposure **above Rs.50.00 Crores.)**
viii. Borrower **name in RBI defaulter list**
ix. Unit/Entity is engaged in manufacturing of product which **depletes OZONE layer.**
x. Unit/Entity is engaged in **manufacturing of the Aerosol Units using chlorofluoro carbons (CFC)**

- Normally, **no fresh exposure** and / or enhancement shall be permitted **in No-Go accounts.**

- For existing accounts, Renewal can be permitted by Respective Sanctioning Authority duly factoring Liquidity, Leverage, Cash Accrual and Internal Risk Rating etc.

Internal

External Credit Rating

- ECAI rating shall be obtained from all borrowers (excluding exposures fully secured by our Bank deposits) enjoying credit exposure (FB + NFB) of above Rs. 50 Crores from our Bank (HO Cir 809/2025, IC/742/2025). Rating counts for risk weight/ pricing only if the press release names our Bank, facility & amount. Accepted ECAIs:
- a) Domestic Credit Rating Agencies:
- Credit Analysis and Research Ltd. (CARE)
- CRISIL Ratings Ltd.
- India Ratings Ltd (Formerly Fitch Ratings India Pvt Ltd. [FITCH])
- ICRA Ltd. (ICRA)
- ACUITE Ratings and Research Ltd (Erstwhile SMERA)
- Brickwork Ratings
- INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)
- b) International Credit Rating Agencies:
- Fitch Ratings Ltd. (FITCH)
- Moody’s Investor Services Ltd. (MOODY’S)
- Standard & Poor Rating Agencies Ltd. (S&P)

Internal

Broad Guidelines on External Credit Risk rating applicable for MSMEs

- Timelines for obtention of External Rating:
- The following are the guidelines with regard to timelines for obtention of External Rating:

i. In case of Green field projects, Respective Sanctioning Authority may permit time up to 6 months from the date of first disbursement selectively for obtention of External rating wherever applicable.

ii. In case the borrower has already applied for external rating and accepted the offer for external rating by the rating agency, respective sanctioning authority may permit time upto 3 months from the date of sanction for obtention of external rating.

Internal

Additional Interest/Commission for Externally unrated borrowers (Policy on Penal Charges – IC/933/2025, w.e.f. 15.01.2026):

In respect of existing borrowers these guidelines shall be made applicable w. e.f date of next renewal/enhancement.

- **Penal charge on FB facilities: 0.50% p.a. (exposure above Rs. 50 Cr up to Rs. 100 Cr); 1.00% p.a. (above Rs. 100 Cr) – on outstanding FB facility**

- **Additional commission on NFB facilities: 0.10% p.a. for exposure above Rs. 50 Cr (on fresh LC/BG issued)**

Internal

Risk Rating of MSME Accounts

- Facility Rating : applicable for Corporate loan, Exposure more than **Rs. 7.50 Cr (HO Cir 81/2023). It deals with Probability of Default (PD) and Loss Given Default (LGD). 70% weight is assigned to LGD and 30% to other factors.**

Internal

Modifications in the internal risk rating of Small Value Model & Manual Model (557/2023)

Revised Small Value Model

1. Individual - New to Business
2. Individual - New to Bank
3. Individual - Existing Borrower
4. Non-Individual - New to Business
5. Non-Individual - New to Bank
6. Non-Individual - Existing Borrower

Revised Manual Value Model

1. New to Business
2. New to Bank
3. Existing Borrower

Internal

Modifications in the internal risk rating of Small Value Model & Manual Model

Facility Risk Category has been added in the Small Value Model and Manual Model Modules.

- **Enhancements in number of scorecards under the Small Value Model and Manual Model.**

Internal

DUE DILIGENCE REPORT FROM EXTERNAL AGENCY (HO CIR 610/2022),ICOM 342/2025

- Mandatory for MSE units, who approach our Bank for the **first time**.
- Minimum loan quantum : **Above Rs. 10 lakhs**
- Are eligible to be covered under **CGTMSE,including Hybrid**.
- Bank has entered into MoUs with different agencies for Diligence Services for MSMEs

1. **M/s. Infomerics Analytics** and Research Private Limited
2. **M/s. CRIF Solutions** Private Limited
3. M/s. Acumen Business Consultancy Pvt. Ltd.
4. M/s. SMERA Gradings& Ratings Pvt. Ltd. (wholly owned subsidiary of Acuite Ratings & Research Ltd.)

Internal

DUE DILIGENCE REPORT FROM EXTERNAL AGENCY

- **M/s. Infomerics Analytics and Research Private Limited**
- **M/s. CRIF Solutions Private Limited**
- **M/s Acumen Business Consultancy Pvt Ltd**
- **M/s SMERA Gradings & Ratings Pvt Ltd**
- M/s B2K Analytics Pvt Limited (formerly known as M/s Brickworks Analytics Pvt Limited)
- Due diligence reports (soft copy) has to be furnished by the respective agencies **within 3 working days** from the date of requisition

Internal

CGTMSE – Latest Modification 175/2024,101/2024,190/2025,515/2025

- Government of India and SIDBI set up the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**.
- Eligible Credit Facilities : FB & NFB extended to Micro & Small Enterprises (irrespective of the unit activity, including trading)
- Covered up to Rs. 10 Crore – PSBs, Private & Foreign Banks, select FIs (from 01.04.2025; earlier Rs. 5 Cr)
- Covered up to Rs. 200 Lacs – SFBs, RRBs, SFCs, UCBs, StCBs & DCCBs
- Covered up to Rs. 50 Lacs – Microfinance Institutions
- **CGTMSE cover is available for credit facilities extended to Wholesale & Retail Trade, Educational Institutions, Training Institutes, Training cum incubator centres (227/2022).**

Internal

CGTMSE – Eligibility & Key Conditions (IC/673/2025)

- Eligible borrowers: **new & existing Micro and Small** enterprises in manufacturing / services; **wholesale & retail trade** at par; **educational / training institutions**; agri-allied in applicable cases. Not: agriculture, SHGs.
- **Not eligible**: facility also covered by DICGC/RBI/insurer/NCGTC; third-party guarantee; collateral (except Hybrid); already-invoked guarantee; dues to CGTMSE unpaid; facility **without primary security** (175/2025).
- Apply for cover **within 15 days of sanction** for fresh/additional exposure (cover can be sought anytime if not restructured / not SMA-2 in last 1 year).
- **URN mandatory** for cover from **16.01.2023**; first-time MSE borrowers seeking **> ₹10 lakh** → **due diligence by credit rating agencies**.
- Facilities **> ₹50 lakh** must be internally rated **investment grade**; only **Low / Normal / Moderate** rated proposals.
- **Hybrid Security**: collateral for part, unsecured part up to ₹10 Cr covered; CGTMSE has **notional second charge**; **no maximum loan limit** under Hybrid.

Internal

(CGTMSE) – Modification in existing guidelines.

- CGTMSE has increased the ceiling of guarantee coverage f**rom Rs.5 Crores to Rs.10 Crores** under Credit Guarantee Scheme-I.

- Now, the competent authority has permitted modifications in the existing guidelines of CGTMSE as under :

- **Obtention of CGTMSE cover may be waived by the RSA subject to the following**:
- A. **In case of New Borrowers** (prospective):
- a) 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.**
- b) **Working Capital/Term loan/Working Capital plus Term loan**, where hypothecation of FA and CA 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
- c) **In case of composite loans where Term loan for construction/ Purchase of land and building/Purchase of Machinery or Equipments and Working Capital are involved**, above mentioned security comfort i.e. **125% for (a) and 100% for (b) to be considered for arriving** at overall security comfort.

Internal

a. Vacant land can be accepted as collateral to the max extent of 25% of total security comfort (in terms of value)

b. Approved bank securities like bank deposit, LIPs, NSC , KVP, Shares / Debentures / bonds etc

c. Borrower should be classified as Low/Normal/Moderate, based upon latest balance sheet available.

d. All the accounts of borrower shall be under Standard category.

*** 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.**

Internal

CGTMSE – Other guidelines

- **The guarantee cover will be available upto :**

1. **For Term Loan – upto tenure of the loan.**

- **For WC limit - 5 years** or a **block of 5 years**, alone are extended or loan termination date, whichever is earlier or such period as may be specified by the Trust.

- CGTMSE will have **Notional Second Charge** on collaterals instead of **Pari-passu charge**.
- Recoveries through sale proceeds of the Collateral Security – **to be retained by the Bank** for appropriation of dues.
- Recovery proceeds other than from Collaterals - **to be remitted to CGTMSE**.
- Under the Hybrid Model – there is **no requirement** to create security /charge in favour of CGTMSE by way of legal documentation.

Internal

Mandatory CGTMSE Cover can be WAIVED for loans above Rs.10 lakhs upto Rs.1000 lakhs, only if –

For Existing Borrower – HO cir 175/2024:

a. The borrower provides primary security or primary and collateral security put together in the form of land and building to the extent of at least 75% of sanctioned limit, in addition to the security of assets created out of our finance (IC/433/2023).

b. Sanction to be reviewed & confirmed by NHA at RO/CO. Any enhancement / additional exposure to such borrowers → new-borrower norms (125% / 100%) of IC/515/2025.

c. Proposals internally rated upto Moderate risk, based upon latest balance sheet available.

d. All the accounts of borrower shall be under Standard category

Internal

- **Renewal of limits amounting above Rs. 10 Lacs upto Rs. 25 Lacs (HO cir 175/2024):**

  Respective sanctioning authority may permit renewal of limits at existing level / renewal with reduction of limits as per DoP (IC/223/2026), even though on previous occasion fresh / enhancement was accorded by NHA.

- **AGF will be calculated on –**

  For Term Loan – Outstanding amount as on 31st December (online updation window 1–15 January).

  For WC limit – Present / Expected Outstanding (Subject to Max Guarantee Amount). First-year AGF on guaranteed amount; Hybrid – on o/s net of collateral.

Internal

CGTMSE – Delegation of Powers (Branch-power accounts)

Fresh / enhanced exposure above ₹10 lakh up to ₹1,000 lakh:

- Exclusively CGTMSE (no collateral) → **Next Higher Authority** of the authority in whose power it otherwise falls.
- Hybrid / partial collateral **< 50%** of exposure → **Next Higher Authority**.
- Hybrid / partial collateral **≥ 50%** of exposure → **Respective / Delegated Sanctioning Authority**.
- Hybrid above **₹1,000 lakh** → Respective / Delegated Sanctioning Authority (irrespective of collateral).
- Renewal at same level / with reduction (**₹10–25 lakh**): **RSA as per DoP (IC/223/2026)** even if earlier sanctioned by NHA.
- SOP: if NHA = MSME Sulabh, Sulabh reviews file for **1 year** and returns it to branch **1 month before** tenability expiry. CGTMSE sanctions reviewed & confirmed by NHA at RO/CO.
- Relaxation in viability parameters for facilities **> ₹50 lakh**: **CM/DM & above** within powers. Govt-sponsored schemes are **not** schematic lending.

Internal

- **Informal Micro Enterprises (HO cir 616/2023 & 101/2024):**

- IMEs are – Micro enterprises unable to register on Udyam Registration Portal for lack of PAN / GSTIN, i.e. outside the GST regime; they hold Udyam Assist Certificate (UAP).
- CGTMSE coverage is available for credit facilities upto Rs. 20 Lacs.
- The extent of guarantee coverage will be 85%.
- This special provision is effective for guarantees approved on or after 14.02.2024.

❖ Standard Rate of Annual Guarantee Fee :

- Upto Rs. 10 Lacs : 0.37%
- Above Rs. 10 Lacs & upto Rs. 20 Lacs : 0.45%

Internal

Informal Micro Enterprises (HO cir 616/2023 & 101/2024):

- Creation of primary security is not a pre requisite for obtaining guarantee.
- For invocation of guarantee, suit filing / legal action is not mandatory.
- MIS Class : Guarantee Cover
- MIS Code : 100000139
- Code Description : Special provison for informal micro enterprises (IMEs)
- Classification has to be updated in BAM 83 option in CBS.
- Handling of credit guarantee coverage, NPA marking and claim preferment can be done by MSME Wing.

Internal

CGTMSE – Extent of Guarantee Coverage

Category	Maximum extent of Guarantee where credit facility is		
	Upto₹5lakh	Above ₹5lakh & up to ₹ 50 lakh	Above ₹50 lakh & up to ₹ 500 lakh
Micro Enterprises	85%	75%	75%
MSEs located in a. North East Region (incl. Sikkim) b. UT of J&K c. UT of Ladakh	80%		
MSEs situated in aspirational districts /ZED Certified MSEs / SC ST entrepreneurs & Person with Disability entrepreneurs/MSEs promoted by Agniveers/ Transgenders	85%		
All other eligible category of borrowers	75%		
Women entrepreneurs / MSEs promoted by Agniveers	90%		
MSEs in ICDD (RBI Identified Credit Deficient Districts)	+5% over applicable cover (w.e.f. 15.12.2023)		

Internal

CGTMSE – (Max Guarantee Coverage Limit)

Type of Credit Facility	Exposure to be considered for coverage
Working Capital	Total sanctioned Limit
Fully disbursed TL	O/s as on the date of consideration of fresh coverage.
Partially disbursed TL	**Entire Sanction amount**. In case if bank proposes to cancel the undrawn portion of sanction amount, the same has to be updated in CGTMSE Portal.

Internal

CGTMSE – Annual Guarantee Fee (AGF)

Slab (₹)	Standard Rate (SR) %	After discount (−10%)	+15%	+30%	+50%	+70%
0 – 10 lakh	0.37	0.33	0.43	0.48	0.56	0.63
Above 10 – 50 lakh	0.55	0.50	0.63	0.72	0.83	0.94
Above 50 lakh – 1 Cr	0.60	0.54	0.69	0.78	0.90	1.02
Above 1 – 2 Cr	0.85	0.77	0.98	1.11	1.28	1.45
Above 2 – 5 Cr	1.00	0.90	1.15	1.30	1.50	1.70
Above 5 – 8 Cr	1.10	0.99	1.27	1.43	1.65	1.87
Above 8 – 10 Cr	1.20	1.08	1.38	1.56	1.80	2.04

- AGF on guaranteed amount in the 1st year, thereafter on outstanding (TL – o/s as on 31 Dec; WC – present/expected o/s). Same rate for all activities incl. trading. Slab decided on total CGTMSE exposure of the MSE.
- Concession (Women/SC/ST/PwD/Agniveer/Transgender, NER-J&K-Ladakh ≤ ₹50 L / Aspirational / ICDD, ZED) applied on SR first, then the bank's discount/premium. First fee within 30 days of disbursement or CGDAN; annual demand by 2nd week of Feb, pay by 30 March.

Internal

CGTMSE – AGF Concession (max 30%)

Category	Social Category (Weaker Section / Underserved Section)	Geographic	MSE Status
Target Group	Women / SC / ST / PWD* / Agniveers/ Transgenders	a. NER b. Aspirational District c. UT of J&K d. UT of Ladakh (Upto Rs. 50 Lacs) e. ICDD (from 15.12.2023)	ZED Certified
Relaxation / Concession	10%	10%	10%

Internal

CGTMSE – Other guidelines

- **NPA marking:** As and when accounts covered under CGTMSE becomes NPA, **MLI has to mark the date on which the account has been classified NPA in a particular calendar quarter, by end of subsequent quarter** in the CGTMSE portalAs per our Bank norms, bank to mark all NPA accounts within **15th of subsequent month, to the month in which the account has slipped to NPA.**

- **The accounts classified by the Lending institution as Fraud/ Willful defaulter/ Non-Cooperative borrower shall not be considered eligible for claim settlement.**

- **The account slipping to NPA within 90 days from the material date shall not be considered eligible for Claim Settlement.(HO Cir 175/2025**

Internal

CGTMSE – Claim Preferment

- **Guarantee Invocation –**

1. Within **3 years** from the date of NPA / lock in period date; whichever is later (**CGTMSE Guideline**).
2. Within **180 days** from the date of NPA date or expiry of lock-in period whichever is later.(**Bank Guideline**)

- **Lock-in period: 18 months from date of last disbursement or guarantee start date, whichever is later.**
- **Lock-in period: 9 months for guarantees up to ₹10 lakh with tenure up to 36 months (w.e.f. 15.12.2023; HO Cir 895/2023).**
- Legal action waived for aggregate o/s up to ₹10 Lakhs (claims lodged on/after 01.04.2023) – permitted by AGM-RO-CAC & above.

Internal

CGTMSE – Claim Settlement: Other Key Points

- Trust pays **75%** of guaranteed portion of amount in default (max 50/75/80/85% of default) within **30 days**; delay → interest at Bank Rate. Balance **25%** on conclusion of recovery.
- **2nd claim**: after **3 years** from settlement of 1st claim **or** OTS (full & final amount received), whichever earlier (175/2025). For **Micro Credit Card** – after **6 months** (IC/533/2026).
- **Amount in default** = lower of o/s on NPA date and on claim date, capped at guaranteed amount.
- Legal action: **Lok Adalat notice is sufficient** (1st claim – petition; 2nd – decree). **Mere SARFAESI recall notice is NOT** initiation of legal proceedings; take at least one **Sec 13(4)** measure.
- Legal-action waiver up to **₹10 lakh** (claims from 01.04.2023) – permitted by **AGM-RO-CAC & above**. History: ₹50,000 (2018) → ₹1 L (2021) → ₹5 L (Jan 2023) → ₹10 L (Apr 2023).
- Payout cap: claims settled up to **2×** fee (incl. recoveries) remitted in previous FY. Trust has **no subrogation**; recoveries after claim to be remitted to Trust.
- Annual recovery certificate from Statutory Auditors, signed at HO by official not below **GM**, by **30 September**.

Internal

CGTMSE – Options for claim settlement in Legal Action Waived Accounts :

- **Option 1 : Single installment of claim settlement with reduced extent of guarantee by 15% e.g. if coverage is 75%, max claim settled by CGTMSE is 60% (80% → 65%). Our Bank opts for this option wherever the amount of default is within the threshold for waiver of legal action.**
- **Option 2 : Claim settlement in two instalments i.e. 75% of eligible amount as first instalment and balance 25% as second instalment. For legal waiver accounts, second instalment is settled after 3 years from the date of settlement of 1st claim or OTS, whichever is earlier.**

Internal

CGTMSE – 2026 Updates

- **TL guarantee expiry + 4 months** (IC/60/2026): new TL guarantees after 31.12.2025 and live standard CGPANs extended by 4 months (not those expiring in FY 2025-26); AGF charged for extended period.
- **Guarantee Handling Fee 9%** (IC/71/2026): recover guarantee fee + **9% mark-up on the fee** + GST from customer (CGTMSE, CGFMU, CGSS, MCGS). Excluded: NPA a/cs & PSL loans **≤ ₹50,000**.
- **Delhi Credit Guarantee Scheme** (IC/247/2026): CGTMSE 75–90% + GNCTD 20–5% → cover **up to 95%** for facilities from 01.02.2026 (up to 10% NPA of crystallised portfolio).
- **Third-party guarantee** (IC/571/2025, IC/127/2026): guarantees of co-borrower/co-obligant's proprietor, partners, trustees, Karta/coparceners, promoter directors are **not** third-party guarantees.
- **Special provision for TReDS** (IC/536/2026): scheme code **115520**, guarantee cover code **100000300**.
- **Bank opts Option 1** – single-instalment claim with cover reduced by 15% – where default is within the legal-waiver threshold (₹10 lakh).

Internal

CGFMU – (HO CIR 402/2023)

- **Credit Guarantee Fund for Micro Units**
- **Guarantee provided by : NCGTC National Credit Guarantee Trustee Company Limited**
- **Eligible Loans:**

1. Pradhan Mantri Mudra Yojana- Shishu Kishore and Tarun

2. OD up to Rs. 10,000 in PMJDY accounts

3. Collateral free loans to SHG up to Rs. 20 Lac, including under NRLM and NULM.

4. Currency / Life of guaranteed portfolio is 4 years (Base year + 3 Years)

"Tarun Plus" categorised loans upto Rs 20 lakhs will be covered under CGFMU.

5. Allied agri activities up to Rs. 20 lakh (no pure agri).

- ROI cap: Shishu ≤ 12%; none for Kishore/Tarun.

Internal

CGFMU CONTD....

- Credit Guarantee is available on a portfolio basis and not on individual loan basis
- The financial year in which the loan is granted is called the base year.
- The guarantee can be invoked after one year from the date of crystallization of the portfolio.
- Gurantee fee on outstanding balance:

1. Standard Rate 1% + risk Premium on NPA level and Claim Payout ratio.

2. Fee payable **within 16days from the end of the quarter.**

3. Aspirational Districts: lower fee 0.5% p.a. (pro-rata 1st year) for portfolios of FY 2020-21 & 2021-22.

4. Standard rate for SHG in 1st year 0.25% and in subsequent years 0.50%

Internal

CGFMU CONTD....

- **Gurantee Cover:**

1. **Guarantee fee shall be paid within 16 days from the end of quarter.**
2. **First 3 % amount of default is bourne by Bank**
3. **Out of remaining, 75% cover on amount of default**
4. **The 15% payout cap is NOT applicable to the CGFMU-SHG portfolio (Rs. 10 lakh to Rs. 20 lakh).**
5. **Max cap : 15% of crystallized portfolio.**

- **Time period for payment of claim : 60 days**
- **Online portal for claim**

System for Undertaking, Re-assurance & Guarantee Endorsement (SURGE).

Internal

PMMY (MUDRA) – Categories & Tarun Plus

- **Shishu** up to ₹50,000 · **Kishore** ₹50,001 – ₹5 lakh · **Tarun** ₹5 – 10 lakh · **Tarun Plus** ₹10 – 20 lakh (only for borrowers who availed & **repaid a Tarun loan**).
- Guarantee: **CGFMU** (NCGTC) up to ₹20 lakh; Shishu cover only if ROI **≤ 12%**; PMJDY OD ₹10,000 also MUDRA.
- **Tarun Plus sanctioning authority** (IC/143/2026, IC/496/2026): RSA – i.e. **Branch Head can sanction up to own DoP** (Scheme of DoP IC/223/2026 dt 31.03.2026).
- **PAN mandatory** for guarantee cover: Mudra sanctions **> ₹1 lakh** from **01.10.2025** (earlier > ₹3 lakh); mobile number for all; not for SHG loans.
- No collateral / third-party guarantee; eligible: Individuals, Proprietorships, Partnerships, SHGs; scheme code 75410.

Internal

(Amt in Crs)

Total portfolio sanction amount as at the end of the base year	100.00
NPA at the end of the first financial year	5.00
Addition to NPA at the end of the second financial year	7.00
Addition to NPA at the end of the third financial year	8.00
Total NPA as at the termination date	20.00
Out of the above	
First Loss to be borne by the Bank- 3% of the Total NPA (i.e. 3% of 20)	0.60
Balance NPA Amount (i.e 20 - 0.60)	19.40
Maximum Payout (15% of the Portfolio Sanction Amount =15% of 100)	15.00
Amount that shall be settled by CGFMU = 75 % of the balance NPA Amount (i.e. 75% of 19.40)	14.55

Internal

Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME)

For Providing guarantees to member Lending Institutions for Term Loan assistance to MSMEs up to Rs.100.00 Crores for their projects involving purchase of Equipment/Machinery (IC 318/2025)

Guarantees Term loans up to ₹100 Crores for MSMEs' equipment/machinery projects
Scheme valid for 4 years or until cumulative loans of ₹7 lakh Crores are issued, whichever is earlier.
Eligible Lenders: Scheduled Commercial Banks, All India Financial Institutions (AIFIs), NBFCs with RBI registration.
Eligible Borrowers: MSMEs with valid Udyam Registration; must not be NPA on sanction/ disbursement date.
Loan amount: up to **₹100 Crores**; **repayment up to 8 years** (moratorium of 2 years on principal for loans ≤ ₹50 Crores)
Collateral value reduces upfront contribution and guarantee fee calculations
Guarantee Cover: 60% of amount in default after lock-in period of 2 years (Exporter MSMEs: 75% – IC/167/2026)
Guarantee Fee: Nil in sanction year; **1.5% p.a. on outstanding loan next 3 years**; **1% p.a. thereafter**

Internal

MCGS-MSME) Continued…….

- **Claim Payout: 75% within 30 days of claim; balance 25% after conclusion of recovery** or decree expiry
- **Claim Payout Cap: Limited yearly to three times the guarantee fees paid plus recoveries remitted in prior year (IC/167/2026; earlier twice)**
- **Member Lending Institution (MLI) Responsibilities:** Monitor and report NPAs timely, pursue recovery diligently
- **Legal Action:** Initiation of legal recovery process mandatory before guarantee claim invocation
- **One Time Settlement (OTS):** Allowed only after 1 year of legal proceedings and full compliance with scheme conditions
- MLIs should **communicate scheme details via website, SMS campaigns, and email to borrowers**
- NCGTC acts as Trustee; no subrogation rights; recoveries after claim shared proportionately
- Scheme overseen by Mutual Credit Guarantee Fund (MCGF-MSME); modifications subject to approvals
- Borrower account must not be NPA as on sanction/disbursement date to be eligible
- Delays in remit of recoveries to NCGTC beyond 30 days attract interest @ Repo Rate + 4%

Internal

MCGS-MSME – Modifications (IC/167/2026)

- Minimum equipment/machinery cost reduced from 75% to **60% of project cost**; **service sector eligible**.
- Upfront contribution **5%** (max ₹5 Cr) – now **refundable 1% per year from the 4th year**.
- Claim payout cap raised to **3×** (guarantee fee + recoveries of previous year); guarantee tenure **10 years**.

New – Well-run exporter MSMEs

- Loan up to **₹20 Cr**; exports ≥ 25% of sales in each of last 3 FYs; profitable; export write-off < 10%.
- Cover **75%** (general MSMEs 60%); upfront **2%** (max ₹40 lakh), refund 1% in 4th & 5th yr; fee nil in sanction year, then **0.5% p.a.**

Mnemonic: "100 Cr-60-60-5" general; "20 Cr-75-2-0.5" exporters

Internal

ECLGS 5.0 – Emergency Credit Line (IC/360 … 578/2026)

- NCGTC scheme for liquidity stress due to the **West Asia crisis**; guarantee fee **Nil**.
- Cover: **100% for MSMEs**; **90% for non-MSMEs & airline sector**.
- Eligible: existing borrowers with FB WC, standard & not SMA-2 on **31.03.2026**; via JanSamarth only. Quantum up to **20% of peak FB WC o/s in Q4 FY26**, max **₹100 Cr** (airlines up to 100%, max ₹1,500 Cr).
- ROI: MSME RLLR + 0.75%, non-MSME MCLR + 0.75%, **cap 9%**; tenor **5 yrs incl. 1 yr moratorium**; sanction by RSA of existing limit (airlines – MC of Board).
- Product codes: **3038** MSME · **3039** Agri MCLR · **3040** Airlines · **3041** Agri RLLR · **3042** Agri Non-MSME.
- **Status (KB 31.08.2026): CLOSED** – non-MSME from 04.08.2026; MSME after ₹2,50,000 Cr allocation reached on 20.08.2026.

Internal

“Credit Guarantee Scheme for Start-ups (CGSS)”administered by M/s NCGTC Ltd – Modification in guidelines (542/2025)

- (CGSS) is enhanced from Rs.10 Crores to Rs.20 Crores along with reduction in guarantee fee for Champion sectors and modification in extent of guarantee cover.

- CANARA START-UP”presently made effective through 8 identified Mid Corporate Branches of the designated Circles i.e. Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Lucknow, Mumbai and Pune

- The Trust shall provide Guarantee cover, subject to a maximum of Rs.20 Crores per borrower, as per the details given below:
- i. to the extent of 85% of the amount in default for loan amount upto Rs.10 Crores and
- ii. to the extent of 75% of the amount in default for loan amount exceeding Rs. 10 Crores.

- AGF shall be paid to NCGTC under the scheme, as per the following slabs :

- Women entrepreneurs and units in NE region : 1.50% of the disbursed / outstanding amount (on sanction amount, in case of working capital & NFB facilities), as on the date of application for guarantee cover

Internal

- In all other cases : 2 % of the disbursed / outstanding amount (on sanction amount, in case of working capital & NFB facilities), as on the date of application for guarantee cover.

- For units from the 27 champion sectors : 1.00% p.a. of the disbursed / outstanding amount (on sanction amount, in case of working capital & non fund based facilities), as on the date of application for guarantee cover

- A lock-in-period of 12 months has been stipulated from the date of commencement of guarantee cover.

Internal

- The Bank may invoke the guarantee in respect of credit facilities within a maximum period of 12 months from the date of NPA, if NPA is after lock-in period or within 2 years of lock-in period, if NPA is within lock-in period, after the following conditions are satisfied:
- a. Prior to lodging of claim, Bank shall ensure that the loan/debt facility has been recalled and the recovery proceedings have been initiated under due process of law via IBC, SARFAESI, DRT or through any other proceedings in the Courts or outside as may be considered suitable by the Trustee. In case of proceedings under IBC, admission of notice and appointment of Insolvency Resolution Professional (IRP) is required. In case of SARFAESI, action as contained in Section 13 (4) of the Act, wherein a secured creditor can take recourse to any one or more of the recovery measures out of the four measures indicated therein, should have been undertaken. In case of DRT, application should have been lodged therein. Similar action should have been undertaken under other modes of recovery, as may be decided by the Fund/Trustee from time to time
- b. The claim should be preferred by the Bank in such manner and within such time as may be specified by the Trustee.
- c. The Trust shall pay 75 % of the guaranteed amount on preferring of eligible claim by the Bank, within 60 days, subject to the claim being otherwise found in order and complete in all respects. The Trust shall pay to the Bank interest on the eligible claim amount at the prevailing Repo Rate for the period of delay beyond 30 days. The balance 25 % of the guaranteed amount will be paid on conclusion of recovery proceedings by the Bank or write off of the unpaid dues of the borrower by the Bank. On a claim being paid, the Trust shall be deemed to have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned

Internal

Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST MSEs – Updated/Revised Guidelines (566/2025)

- **Objective : Promote new enterprises and support the existing enterprises** in their expansion for enhanced participation in public procurement. The SCLCSS provides **25% subsidy to SC/ST MSEs on institutional finance up to Rs. 1 Crore (i.e. a subsidy cap of Rs. 25 lakhs**) for procurement of Plant & Machinery/equipment or for technology upgradation, to ease access to latest technology
- Scheme would cover **SC/ST MSEs of manufacturing and service sectors**

- **Sole Proprietorships, Partnerships, Co-operative societies, Private and LLP companies owned by SC/ST Entrepreneurs of the MSE sector** engaged in manufacturing and service activities are eligible for seeking assistance.

- Time line for acceptance of SCLCSS subsidy claims for Service and Manufacturing Sector is **one year** from the reference date
- The claim application and required documents submitted by SC/ST MSEs within one year from the reference date, must be uploaded **within 30 days** by the PLIs and nodal Banks/agencies on the CLCSS /SCLCSS MIS portal for claiming subsidy under SCLCSS

Internal

“Standby Credit Facilities” for MSEs:

- **Quantum :**

a. For Low / Normal Risk rated accounts : upto 20% of the sanctioned limit or the delegated power whichever is lower by respective sanctioning authorities.

b. For Moderate Risk rated accounts : Upto 10% of the sanctioned limit or the delegated power whichever is lower by respective sanctioning authorities.

c. For export credit : 10% of the sanctioned limit or the delegated power whichever is lower

d. for Gold Card exporters-20%

- **maximum of 2 times in a year for period not exceeding 60/90 days at a time.**
- **No Adhoc facility should co-exist with standby facility**
- The sanctioned limits should be in force wherever standby credit is extended by branches

Internal

- (ii) The following CACs are authorized to permit Standby credit in respect of export credit:

Account under sanctioning powers of	Authority to permit
Upto RO Head CAC (including MSME Sulabhs)	RO Head CAC (upto Moderate Risk rated accounts)
Above RO Head CAC	Respective sanctioning authority upto their delegated powers (upto Moderate Risk rated accounts)
CAC of the Board	For accounts rated as High risk

Internal

Standby Credit for Capital Expenditure of MSMEs

- The facility is extended in the form of Term Loans up to 25 % of the original value of the existing plant and machinery subject to a maximum of Rs.25 Lakhs.
- Margin shall be 15 to 25% of the cost of fixed asset to be acquired under the loan

Internal

Adhoc Credit Facility:

- Adhoc credit facilities at least 2% p.a. higher than that stipulated for the regular credit facility. However, this is not applicable to Adhoc facility permitted for export limits.
- No adhoc credit / additional limits / single transaction limits facility can be permitted in any account on more than 2 occasions in a financial year.
- The facility can be permitted for a maximum period of 90 days only. Respective delegated authority (i.e. Circle Head-CAC and above authorities) can permit Adhoc within the tenability period as per the sanction.
- In respect of account where tenability is extended, adhoc facility can be permitted only by the next Higher Authority during the extended tenability period.

Internal

CREDIT APPRAISAL:GENERAL GUIDELINES

- For aggregate credit limits of over Rs. 20 lakhs (both fund based and non fund based including term loan / DPG), audited financial statements are to be obtained or Turnover of Rs.100 lacs and above per annum and also where audit of balance sheet is mandatory by statute.

All documents provided by the Chartered Accountants should mandatorily contain UDIN and should be verified with ICAI website

Internal

- General Guidelines:

In cases of proposals wherein the limits are above Rs.5.00 crore, a copy of the passports of the Promoters/ Promoter Directors and Guarantors are to be mandatorily obtained. In case they do not have a passport, an undertaking that he/she shall submit a copy of the passport (as and when the same is obtained) shall be obtained.

Techno-economic Appraisal (Project Appraisal):

- In respect of New Borrower, project appraisal shall be applicable to proposed projects including infrastructure with project cost of Rs 1000 lakh and above.

Internal

Risk rating of the borrower	*Project cost of the proposed project including infrastructure*	
	Borrowers dealing with our Bank for less than 3 years	*Borrowers dealing with our Bank for for 3 or more years*
Internally rated as Low (CNR I to V) or Normal risk (CNR VI) or externally rated BBB or better for borrowers.	*Rs.1500 lakh and above*	*Rs.2000 lakhs and above*
Internally rated as Moderate risk (CNR VII or CNR VIII) or externally rated BB	*Rs.1000 lakh and above*	

Internal

Legal Entity Identifier (LEI) Code

- Non individual borrowers enjoying aggregate exposure of Rs 5 Crores and above from Banks and Financial Institutions shall submit Legal Entity Identifier (LEI) Code as per the timelines stipulated below:

Slab/Total Expsoure	LEI to be obtained on or before
Above Rs 25 Crores and less than Rs 50 Crores	30.04.2023
Above Rs 10 Crores upto Rs 25 Crores	30.04.2024
Rs. 5 Crores and above upto Rs 10 Crores	30.04.2025

- However, Departments/Agencies of Central and State Governments (not Public Sector Undertakings registered under Companies Act or established as Corporation under the relevant statute) shall be exempted from this provision.

Internal

Ratio Analysis applicable for Working Capital Assessment

RATIOS	FORMULA
Net Working Capital	Current Assets – Current Liabilities
Current Ratio	Current Assets/ Current Liabilities (1.33 for MPBF Method/ 1.25 for Turnover Method)
Quick/Acid Ratio	(Current Assets- Inventory- Prepaid Expenses)/ Current Liabilities (Desirable level is based on Industry activity as per point vi). above)
Profitability	Net Profit after Tax/ Net Sales *100
Tangible Net worth (TNW)	Capital + Reserves (other than Intangible reserves & revaluation reserves) - accumulated losses
Adjusted Tangible Net worth (Adj. TNW)	Tangible Net worth – Investment in Subsidiaries
TOL:TNW	(Term Liabilities + Current Liabilities) / TNW
TOL: Adj. TNW	(Term Liabilities + Current Liabilities) / Adj. TNW

Internal

Conversion Of Limits

Two-way conversion of limits from Fund Based to Non Fund Based limits and vice-versa may be permitted subject to compliance of the following conditions:

- a) NFB limits (only Letter of Credit Limits and Advance Payment Guarantee for purchase of raw materials) may be converted into Fund Based limits. Similarly, FB limits may be converted into NFB limits for purchasing stocks only.
- b) Post-conversion, both Fund based limits and NFB limits shall be within the assessed MPBF.
- c) Post-shipment to pre-shipment is not permitted (PC to Bills and not otherwise).
- d) Secured limits are not to be converted into clean limits.

Internal

- One way conversion of limits from LC to BG for purchase of raw materials may be permitted to Beneficiary entities such as PSUs, SAIL, NSIC and Corporates externally rated AAA/AA, if:

a) Margin as applicable is maintained.

b) Period of BG is within working capital cycle subject to maximum one year

Internal

PSB loans in 59 minutes

- It is a digital platform which enables an MSME Entrepreneur to apply and get **"In Principle Sanction" for MSME MUDRA and loans to Rs. 500 Lacs** in 59 minutes.
- Retail Loans (Housing, Personal and Vehicle) also introduced vide Circular No. 449/2019 dated 31/08/2019
- Scheme Code : **"94400-Online PSB loans in 59 min"**

Internal

Introduction of digital lending scheme **“Canara e-Mudra”** for financing of loans (Working Capital/Term Loan or both) up to **Rs. 10 Lakhs** under Pradhan Mantri Mudra Yojana through Digital Lending Platform (DLP).(172/2025)

- STP sanction for WC Limit and Shishu Mudra Loan(TL Up-to Rs.50000/-) based on pre-defined business rules & due diligence check.
- Digital Application and Branch Assisted sanction for Term Loan above Rs.50000/-
- Functionality for Geo tagging & unit photo upload.
- Digital document execution through NeSL integration.
- Post documentation automated Loan Account opening in CBS

Customer on boarding through the digital lending platform.

Internal

Canara e-Mudra

- To provide hassle free need-based TL/WC finance for acquiring capital assets and / or meeting working capital requirements to Micro business units (Existing to Bank & New to Bank Customers) for only income generating business activities.

- implemented through Digital Lending Platform

- Total MSME Exposure of the Borrower including the proposed exposure under the scheme should not exceed Rs. 10 Lakhs

Internal

- Target Group Micro Business Units whose financing needs are up to Rs. 10 lakhs

- Existing SB/CA holders not having any active Business Loans from any other Bank/FIs.
- Existing Borrower (Micro Enterprises) of our bank seeking additional WC/ TL within the overall limit (existing + proposed) of Rs. 10 Lakhs.
- Satisfactory repayment record in existing TL account/s (No overdue on the date of application & not in SMA2/NPA status in last 12 Months)

- Enhancement in existing working capital limit or second working capital limit not permitted.

Internal

- Eligibility
- i. Presently, Individual and Proprietorship Firm (individual promoter) are eligible under the scheme.
- ii. Entity should have valid URC & PAN and same will be validated digitally.
- iii. Promoters should have valid Aadhar & PAN and same will be verified digitally.
- iv. Individual/Promoter aged 18 years & above will be eligible (IC/85/2026; earlier 21 to 65 years).
- v. Minimum business vintage and active current account with bank should be of 12 months.
- vi. Business entities having business vintage & active current account period less than 12 months, assessment shall be based on financial papers (Branch assisted journey).
- vii. Existing Borrower (Micro Enterprises) of our bank seeking additional WC/TL within the overall limit (existing + proposed) of Rs. 10 Lakhs will be eligible under the scheme subject to satisfactory repayment record in existing loan account/s (No overdue on the date of application & not in SMA2/ NPA status in last 12 Months)
-

Internal

- viii. Enhancement in existing working capital limit or second working capital limit not permitted under the scheme.
- ix. GST Registration details, if available, will be fetched through API integration and if GST returns are available for 12 months, working capital limit will be assessed based on GST Returns.
- x. Active business loan with any other Bank/FI (checked in CIR) → application lands in branch portal instead of rejection (branch-assisted; AGM-RO-CAC); total MSME exposure must stay within Rs. 10 lakh (IC/85/2026).
- xi. PAN based exposure of entity / Promoter should not exceed maximum limit stipulated under the scheme i.e., Rs. 10 Lakhs. (Aggregate exposure shall be capped up to Rs. 10 lakh under the scheme for all proprietorship/individual entities under same PAN/URC.)
- xii. Cheque returns / ECS / NACH bounces for “Insufficient Fund” in last 12 months: up to 6 for STP (IC/85/2026; earlier 4); more than 6 → branch portal, sanction by AGM-RO-CAC.
- xiii. The Scheme will be available for the borrowers rated upto Moderate Risk only.
- xiv. Borrower’s/Promoter’s name should not appear in the RBI defaulter lists, Central Fraud Registry (CFR), ECGC Caution List

Internal

- Credit Information Report: One Consumer CIR with score fetched digitally from any one of four CICs – CIBIL, Experian, Equifax & CRIF (IC/85/2026; earlier two).
- ii. CIC Consumer Score of the Promoters/Individual shall be minimum 650 (Customers with no credit history,-1, NA will be eligible).
- iii. Wilful default / suit-filed / written-off / settled → not eligible in STP; credit-card write-off up to Rs. 10,000 (non-wilful) ignored after 24 months cooling (IC/85/2026).
- iv. Credit Information Report (CIR) under Commercial Segment shall be fetched in case of other than individual borrowers and adverse
- remarks in the report viz., Overdue, NPA, Suit Filed, Written-off accounts shall be scrutinized as per eligibility criteria defined under the scheme.
- v. CIBIL MSME RANK (CMR) shall not be applicable under the scheme as total MSME exposure (Existing + Proposed) should be within the overall limit of Rs. 10 Lakhs.
- vi. Any Account of the Borrower or Promoter should not be in overdue/NPA Status as per CIC Report or as per CBS in case of existing customer
- vii. Borrower or promoter having credit history of SMA2/NPA account/s in last 12 months shall not be eligible.

Internal

- Loan Quantum Minimum –Rs.10,000/- and
- Maximum – upto Rs.10,00,000/-
- Margin TL : 15% of the project cost
- WC: 25% - where stocks are held as prime security
- 30%-where book debts is held as prime security
- Tenability WC: 1 year from the date of sanction (interest to be served as and when due).
- TL: Repayable in maximum of 7 years in monthly/equated monthly installments. Repayment holiday (Inclusive of Total tenure) maximum up to 3 months may be permitted wherever necessary.

Internal

Canara e-Mudra – Modifications (IC/85/2026)

- Promoter age: **18 years & above** (earlier 21–65).
- CIC: **one consumer CIR** (any 1 of 4 CICs) – earlier two.
- Cheque/ECS/NACH returns for insufficient funds: up to **6** in 12 months for STP (earlier 4); more → branch portal, **AGM-RO-CAC**.
- Credit-card write-off up to **₹10,000** (non-wilful) ignored after **24 months** cooling; other write-offs / wilful / suit-filed rejected.
- Active business loan elsewhere / vintage < 12 months / SMA-1 / overdue in our loan → **branch portal (AGM-RO-CAC)** instead of rejection; SMA-2 / NPA → rejected at BRE.
- Sanction valid 15 days; cooling-off 3 days; branch TAT 7 working days; CMR not applicable; CGFMU cover (fee by borrower).

Internal

“Canara e-Udyam” 456/2025

- Introduction of MSME digital lending scheme “Canara e-Udyam” for financing of MSME Credit facility/ies (Working Capital Limit & Term Loan) upto Rs. 25 Lakhs through Digital Lending Platform (DLP) both for Existing and New to Bank Customers

Internal

Canara e-Udyam – Cash-flow based MSME Lending

- Digital WC & TL up to **₹25 lakh** (total MSME exposure); **Individuals & Proprietorships**; vintage & current a/c **12 months**; CIC ≥ **650**.
- Margin: TL **15%** (≤ ₹10 L) / **25%** (> ₹10 L); WC **25%** stock / **40%** book debts. TL up to **7 yrs** incl. 6-month moratorium.
- WC assessment: digital txns > 50% → **20% of net credit turnover**; ≤ 50% → **15%**.
- TL Model I (≤ ₹10 L): income = up to 20% (mfg) / 15% (service-trading) of digital turnover + 8% of non-digital; **DSCR ≥ 1.5**.
- Security: ≤ ₹10 L **CGFMU**; ₹10–25 L CGTMSE / hybrid / collateral. Takeovers not allowed; sanction valid 30 days; cooling-off 3 / 7 days. Scheme code 114690.

Internal

WC Digital Renewal & DLP (IC/727/2025, IC/84/2026, IC/481/2026)

- Auto-renewal through DLP of existing MSME WC limits **up to ₹10 lakh**; Phase 1 – Individuals & Proprietorships; NFB borrowers not eligible.
- IC/84/2026: promoter score **≥ 650**; expired limits eligible **up to 60 days**; **SMA-2 also eligible**; outstanding-within-limit, nil-overdue and NF-588 conditions removed.
- Assessment: 20% of net credit turnover (turnover ≥ 5× limit) or GST method; eligible = lower of existing or requested.
- Reference date 30 days before limit expiry; consent within 15 days; unit visit with geo-tag; renewal valid 1 year; sub-scheme code **444036**.
- **DLP mandatory** as LOS for **all MSME proposals (FB & NFB)** at Branches, MSME Sulabhs & Offices (IC/481/2026) – SAS > DLP > MSME Initiate / MSME Renewal & Enhancement.

Internal

ZED

- **ZED (Zero Defect & Zero Effect)**
- Manufacturing with **zero defect processes** with **zero effect on environment.**
- MSME units need to apply first Online Self-Assessment through the Website **www.zed.org.in** and register their details.
- 3 Level of Certification :

  a). Certification Level 1: **BRONZE**

  b). Certification Level 2: **SILVER**

  c). Certification Level 3: **GOLD**

 ZED Rating Parameter in MSME Loan applications NF 998.

Internal

ZED – Concessional ROI to MSME (HO Cir477/2022)

- Concessions are valid upto **31.03.2026**.
- ZED details to be updated in **BAM 83** and **CIM 22** options.
- Under BAM 83 – Special Beneficiary – ZED Concession Beneficiary
- Under CIM 22 – Customer ID – Company Details – MSME Details – ZED Details – ZED certification level (Bronze / Silver / Gold) – ZED ID – ZED Accreditation Date – Expiry Date of ZED Accreditation
- ZED accreditation expiry period – **3years**
- Concessions are permitted in :

a) ROI – Should not **less than RLLR** (After Concession)

b) Processing Charges : Should not be more than **75%** of applicable charges.

Internal

ZED – Concessional ROI to MSME (HO Cir477/2022 & 713/2022)

- Any number of units registered under one Udyam Registration can apply for incentives under this scheme.

- Each Unit (under one Udyam Registration) will need to apply for ZED Certification separately to avail subsidy/benefits/incentives under ZED scheme. (713/2022)

- Concession in ROI and processing charges applicable for ZED certified MSMEs, can only be considered if all the units (in case of multiple units constituting an MSME entity) is ZED certified. (713/2022)

Internal

JANSAMARTH PORTAL (HO CIR 103/2022)

- Also called as **National Portal**.
- **Developed by Online PSB Loans Ltd.**
- URL for National Portal is : **www.jansamarth.in/home**
- **12 schemes** of the Bank are eligible to be routed through Jansamarth Portal.
- Objective :

1. Increasing the reach of Public in accessing Credit Linked Govt Schemes.
2. Streamlining the delivery process by creating a unique platform having integrated architecture

- MSME Schemes which can be routed through Jan Samarth :

i. Pradhan Mantri Mudra Yojana (PMMY)
ii. Weavers Mudra
iii. PMEGP
iv. PM SVANidhi
v. SRMS (Self-Employment Scheme for Rehabilitation of Manual Scavengers)
vi. Stand-Up India
vii. Canara Micro Credit Card & ECLGS 5.0 – only through JanSamarth (2026)

- **Rejection of Proposals - NHA**

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023, 115/2024

- Definition of Takeover :

1. Sole Banking – Our Bank is taking over any loan account from any other bank.
2. Multiple Banking (MBA) – Bank takes over the share of another bank and **replaces** that bank completely.
3. Consortium Accounts : **Fresh entry** into consortium (Where Bank replaces an existing member of a consortium by taking over its share.

 The outstanding liability with other bank is **cleared fully** by the borrower from his own sources:

1. If approaching **after 3 months** from the date of closure of such account – **No takeover norms**.
2. If approaching **before 3 months** from the date of closure of such account – **Take over norms applicable**. Sources of funds for closure of loan to be ascertained.

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- **If Bank is already having exposure under the consortium :** If Bank takes over the **entire share** of exiting consortium member/s Bank (**by increasing its own share**), the same **shall not** be treated as takeover. Subject to :

1. External Rating – BBB & above (if applicable)
2. There is no downgradation in external rating in previous 1 year.
3. *Operating Profit in 3 preceding years.*
4. ***Account is not SMA 2 / should not be appeared in SMA 2 in preceding 18 months as per CRILC report. Wherever CRILC is not applicable, take the data from Commercial CIR / CMR. (HO Cir 115/2024)***
5. Account is not restructured.

If above are not fulfilled then it will be considered as takeover.

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- **Takeover Compliances:**

a. Account should be **Minimum 1 year old** with the transferor bank.
b. **Standard account** during preceding **one year.**
c. The account **should not** be **restructured.**
d. The account **should not** have appeared in or **SMA-2** during last **18 months.**
e. The unit should be **profit-earning** commensurate with the profits earned by similar units in general.
f. Obtain Sanction memo, certificate of limit / liability / overdue / security charged from statutory auditor of the borrower.
g. Reasons for takeover to be ascertained.
h. In respect of Manufacturing unit

- the unit should be minimum **one year old** and
- should have accomplished **DCCO** at least **6 months** prior to the application of take over and
- shall have **satisfactory repayment track** record of at least **6 months**.

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- Shifting of accounts from other banks shall not be more than **one occasion** during **last 5 years** or **period of existence** of the borrower unit, whichever is less.
- If it is **more than one occasion**, delegated authority may permit takeover after ascertaining the reasons for switch over. Further, gap to last switch over shall be **minimum of 1 year**.

The stipulation of minimum of 1 year of existence with other Bank prior to takeover shall not be applicable in the following cases ***In respect of borrowers internally rated as Low risk / externally rated as 'A' & above and has completed a minimum period of 6 months with the transferor bank.***

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- **MSME** Accounts rated **BB and above** only can be taken over.

(In case of other than MSME accounts, the accounts rated externally as "BBB" or better shall only be considered)

- In case of **Takeover without enhancement**, the collaterals offered to the previous lender shall be passed on to the Bank for the exposure to be taken over.
- In case of Takeover without enhancement, the collaterals offered to the previous lender shall be passed on to the Bank for the exposure to be taken over. However, if the same cannot be insisted, the sanctioning authority may permit acceptance of alternate securities with proper and justifiable reasons. ***Securities shall be SARFAESI compliant with proper mortgageability and marketability. The extant guidelines on accepting Bank Deposit, NSC, KVP and Insurance Policy as security shall be adhered to.*** Dilution of security/ reduction in margin should not occur on account of take over. Securities to be revalued at the time of takeover of account as per the extant guidelines and ***Realizable value*** be ascertained.

Internal

Takeover Norms (Other than Retail) – Ho Cir Ho Cir 382/2023

In case of Takeover with enhancement, substitution / acceptance of alternate securities shall not be entertained ***in general.***

- ***In cases where the securities encumbered by the transferor Bank does not qualify as valid securities as per our Bank's policy (For eg. Property where approved plan is not available), substitution/ acceptance of alternate securities in the form of Land & Building (Immovable), our own Bank Deposit, NSC, KVP and Insurance Policy shall be permitted by CGM/GM-HO-CAC & above authorities. Securities shall be SARFAESI compliant with proper mortgage ability and marketability. to.***
- ***However dilution of security/ reduction in margin shall not be permitted.***

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- In case of takeover with enhancement, the same may be permitted with maintenance of security coverage in the form of Land & Building (Immovable), Our own Bank Deposit, NSC, KVP and Insurance Policy not being less than a minimum of 50% of the entire exposure (including enhancement amount).
- Securities shall be SARFAESI compliant with proper mortgageability and marketability. The extant guidelines on accepting Bank Deposit, NSC, KVP and Insurance Policy as security shall be adhered to.
- ***Further, properly demarcated, non- agricultural, SARFAESI compliant vacant land (preferably commercial/ residential) can be considered for calculation of security coverage.***
- ***value of the vacant land shall not be more than 50% of the total collateral security taken for the facility. All extant guidelines regarding consideration of vacant land as security shall be adhered to.***

Internal

- Enhancement (including expansion /diversification) **Maximum 25%** from the existing borrowing level at the time of takeover.
- If the enhancement is **more than 25%**, proposal to be sanctioned by **next higher Authority**.
- **However, Sanctioning authorities at Head Office shall be empowered to sanction the takeover proposals upto their delegated powers irrespective of the percentage of enhancement envisaged.**
- Further, in addition to the **existing credit facilities to be taken over**, if **fresh Term Loans are proposed** for expansion of the existing production capacity, such term loans **shall be kept out of purview of the stipulation of sanction by the NHA.**
- Remaining repayment period shall not be extended beyond the original repayment period permitted by the transferred bank.

Internal

- ***Audited financial statements for the previous 3 years shall be obtained and analysed.***
- ***In respect of corporates, audited financial statements filed with ROC are to be verified for the previous 3 years.***
- ***Audited financial statements should not be older than 9 months.***
- ***where latest ABS is not available, provisional financial statement (PBS) for concluding year and the last immediate quarter results, duly certified by auditors shall be obtained.***

Internal

Takeover Norms (Other than Retail) – Ho Cir 382/2023

- **Guidelines on Stock Audit**
- Stock audit - takeover of working capital limits as a prerelease condition subject to following exceptions:

a) For contractors OD scheme and Secured OD limits where stock may not be available, respective Sanctioning Authority may permit waiver of Stock Audit as a prerelease condition.

b) Working Capital limits below Rs 10.00 Crores (including enhancement), Stock Audit may be waived by RSA Stock Audit Report from the transferor Bank less than 6 months if available

In such cases, Stock Statement copies submitted to earlier Bank for the last 3 months shall be obtained and verified

c) Working Capital Limits up to Rs 3.00 Crores (including enhancement), where Stock Audit report from transferor Bank is not available or Stock Audit Report available with the transferor Bank is more than 6 months old, in such cases RSA may permit waiver of Stock Audit as a prerelease condition by verifying Stock Statement copies submitted to earlier Bank for the last 3 months shall be obtained

Internal

“MSME Digi Portal” (IC/840/2024)

- MSME Digi-Portal” offers facilities like submission of Stock/Book Debt Statement, update GST and URC number, apply for Solvency Certificate, Stock/security Insurance, apply to create and send Offers & Feedback for Customers, Invoice Management, Payroll Processing and Finance & Accounting to MSME Customers of our Bank.
- Package is available to branches at “MSME Digital Solution Suite” in SAS Package Suite to access the data submitted by the MSME Customer.
- MSME Customers have the option to submit/update the Stock/Book Debt Statement on monthly/quarterly/half yearly basis and can opt to buy the insurance without visiting branch.
- Penalty for late submission of stock statement can be avoided.
- MSME customer has the provision to update/submit the Udyam Registration Certificate and GST number details to branch

Internal

Special Credit Linked Capital Subsidy Scheme (SCLCSS) 566/2025

- **Eligibility - SC/ST Micro and Small Enterprises** where term loan has been sanctioned by the bank on or after the date of notification of the scheme.(Valid till 31.03.2026)
- There is a subsidy **cap of maximum Rs. 25.00 lakh or @ 25% on the absolute value** on institutional finance up to Rs. 1 Crore (i.e. a subsidy cap of Rs. 25 lakhs) for procurement of Plant & Machinery/equipment or for technology upgradation, to ease access to latest technology.
- **Only one person in the family** shall be allowed to avail benefit under SCLCSS scheme (**Family includes Husband and Wife)**
- This scheme is **not applicable for trading activity**.
- The implementing agency is National Small Industries Corporation (NSIC), a CPSE under the Ministry of MSME, Govt. of India.
- **Duration of the Scheme: valid till 31.03.2026 subject to availability of funds. Subsidy kept as TDR for 3 years; geo-tagging of the unit + due-diligence certificate mandatory at TDR liquidation (IC/768/2025).**

Internal

Trade Receivables Discounting System (TReDS)

- The Scheme facilitates financing of Trade Receivables of MSMEs from Corporate and other buyers, including Govt. Departments and PSUs through multiple Financers.
- Our Bank is participating as 'Financing Bank' on the TReDS digital platform of M/s RXIL, M/s A.TReDS Ltd. (Invoicemart) and M/s Mynd Solutions (M1xchange) and M/s C2FO Factoring Solutions Private Limited (C2treds) **,M/s. KredX Platform Private Limited** - KPPL (Domestic Trade Exchange – DTX.
- Bank has established 2 TReDS Cells i.e. at SMCB BKC Branch, Mumbai (DP Code6643) and SMCB, Townhall Bengaluru Bengaluru (DP Code 6992).
- External Credit Rating shall be 'A-' and above for non-constituent type of buyers & BBB and above for constituent type of borrowers
- Bills upto a tenor of 180 days can be quoted for discounting on the platform
- IN T+2 Days amount will be settled to the beneficiary

Internal

- Selection of Buyers and assessment/sanction/enhancement of Discounting limits vests with Circle Head CAC of the concerned Circle through the MSME Section, where TReDS cell is functioning.
- In case of government organizations, delegation for approval of buyers is vested with GM-HO-CAC and above authorities.
- If Buyer fails to make the payment to us (Financier) on the due date, and default occurs, legal proceedings to be initiated after consultation with Legal Section of the Circle. It is dealt outside the purview of TReDS platforms.

Internal

- Trade Receivables Discounting System (TReDS) – Modification in Guidelines
- Maximum limit for approval of buyers on each of the TReDS platforms
- i. RXIL - Rs. 4000 Cr.
- ii. A TReDS Ltd (Invoicemart) - Rs. 6000 Cr. (raised from Rs. 4000 Cr – IC/107/2026)
- iii. Mynd Solutions Pvt Ltd (M1xchange) - Rs. 8000 Cr. (raised from Rs. 6000 Cr – IC/107/2026)
- iv. C2TReDS – Rs.2000 Cr.
- V **M/s. KredX Platform Private Limited** - KPPL (Domestic Trade Exchange – DTX Rs.1000 cr

Internal

Export Promotion Mission (Niryat Protsahan) & SEOE

- **Interest subvention 2.75% p.a.** on pre & post-shipment rupee export credit to MSME exporters (valid IEC + Udyam), credit disbursed **on/after 02.01.2026** (IC/56/2026, IC/208/2026).
- UIN from DGFT portal before disbursal; cap **₹50 lakh per IEC** across banks; no subvention from NPA date; old IES UIN not valid.
- **Collateral Support for Export Credit** (IC/198/2026, CGTMSE + DGFT): MSE cover **75% + 10% = 85%**; Medium **65%**; ceiling **₹10 Cr** per borrower incl. all CGTMSE guarantees.
- **SEOE** (IC/532/2026): DoC scheme managed by **EXIM Bank + NCGTC** – SBLC (up to 100%), Risk Participation (up to **90%**), IRU (up to 100%); EXIM in-principle approval in 3 working days.
- **TReDS** (IC/107/2026): A.TReDS limit **₹6,000 Cr**, M1xchange **₹8,000 Cr**; buyer-wise max ₹150 Cr.

Internal

Introduction of functionality for blocking of Limit Creation in CBS 411/2025

- Presently, well defined functionality is available in CBS for the purpose of limit creation, regular renewal, review and extension, renewal cum enhancement/reduction, other modifications, Review cum holding on operations and Mid-term enhancement carried out in many CBS steps involving CBS Fast Path CHM07.

- Now, functionality is introduced to restrict direct creation of limits (New limit, Regular Renewal and Renewal cum Enhancement/Reduction) within CBS and enforce these limits creation process exclusively through the LAPS package for MSME OD/OCC accounts. Limit creation will be restricted for the accounts which are opened under the product codes as mentioned below :

- Sr. No. Product Code Name of the Product
- 1 225 Laghu Udhyami Credit Card
- 2 275 Weavers Credit Card - SOCC
- 3 280 OD-DOCTORS CHOICE
- 4 2000 MSME-OD/OCC
- 5 2001 MSME-SHG OD/OCC
- 6 2016 CANARA STREE SHAKTI - MSME OD/OCC

Internal

MSE SPICE

- “MSE SPICE” scheme - Scheme for Promotion and Investment in Circular Economy, approved by MoMSME.
-
- ‘**MSE SPICE’** aims to provide capital subsidy to brownfield Project by MSEs for upgrading/expanding the existing CE projects for promoting/facilitating CE principles. The **maximum project cost admissible under the Scheme would be Rs.50 Lakhs with a 25 % subsidy on the cost of Plant and Machinery** only.
- However, projects **costing more than Rs.50 Lakhs would also be admissible under the scheme**, **but subsidy shall be limited to a maximum of Rs.12.50 Lakhs**
-
- Ministry of MSME (MoMSME) vide its Office Memorandum dated 15.05.2025 has **approved an indicative list of 118 technologies, eligible to be covered under “MSE SPICE” scheme** and a list of 16 number of equipment/technologies identified as standalone technology, **not eligible unless being part of a Circular Economy (CE) project with other elements of CE and cost of Garbage Trucks/Transportation vehicles shall not exceed 25% of the total project cost**

Internal

MSME schemes/products

Internal

“CANARA MSME SOLAR VENDOR” 314/2025

- To provide finance to the MSME Enterprises engaged as Solar vendors/ Channel Partners/Sub- Contractors registered with MNRE, handling execution of Residential Solar Power Projects

- Purpose To provide finance to the MSME Enterprises engaged as Solar vendors/ Channel Partners/Sub- Contractors registered with MNRE, handling execution of Residential Solar Power Projects by way of FB (Fund Based) and NFB (Non-Fund Based) limits, under Sole Banking only.
- Target Group : Existing and Prospective MSME enterprises engaged as Solar vendors/ Channel Partners/Sub- Contractors registered with MNRE, handling execution of Residential Solar Power Projects

Internal

- Eligibility
- Eligible Individuals/Proprietary Concerns, Partnership Firms (other than Partnership Firms where HUF is a Partner)/ Company / Businessmen/LLPs may be considered under the scheme.
- MSMEs should be registered in UDYAM portal and should have valid Udyam Registration Certificate.
- Borrower entity should be GST registered.
- Blacklisted vendors on MNRE site not to be considered.
- The registered Solar Vendor/ Channel Partner/ SubContractor should have vintage of at least 6 months of registration and should have handled at least 10 projects in the preceding 6 months' period.
- Borrowers with SMA1 or SMA2 during the last Year (i.e. last 12 months) in respect of liabilities with our/Other Banks/FIs as per credit bureau report are not eligible. However, Credit Card Overdue shall be exempted under the scheme.

Internal

- .
- Defaulters (NPA) with any lending institution not to be considered under the scheme.
- The Scheme shall be applicable for Borrowers risk rated up to Moderate Risk /BB only as per the applicable Risk rating models.
- CIC Score of all Promoters > 650. Wherever the promoters have NIL credit history, even CIBIL Score of “-1”,”0” on account of this reason is considered acceptable.
- CIBIL MSME Rank (CMR) guidelines shall be applicable as per extant guidelines

Internal

- Enterprises engaged in speculative activities are not eligible for finance under this scheme.
- The account shall not be overdue or under SMA at the time of sanction/disbursement. Guidelines issued by Ministry of New and Renewable Energy to be complied wherever applicable.
- Switchover of existing accounts to the said scheme shall be permitted only at the time of renewal.
- Nature of Facility Working Capital Limits (Fund Based and Non-Fund Based) The Cash Credit account created should be mapped in the MNRE portal to ensure the routing of proceeds through our account.
- Loan Quantum
- Minimum: Above Rs. 10.00 Lakhs
- Maximum: Rs. 5.00 Crores 8. Assessment
- Working Capital limit (both FB & NFB) assessment shall be done as per extant guidelines.
- Minimum Margin Fund Based Working capital – Secured by Stocks/Receivables/ Book Debts: 25%. NFB – As per extant guidelines of the Bank (Further reduction in margin may be permitted by the Delegated Authorities empowered to permit the same as per extant
- Repayment Period Working Capital: Tenable for One year

Internal

Canara MSME STAR (Erstwhile Canara MSME CAP scheme)

- **Target Group : Micro Small and Medium Enterprises (Manufacturing/Service) (Excluding Hospitals, Educational institutions, Self Help Group, Joint Liability Group).**
- **Eligibility:**

i. **Individuals/Partnership firm (other than partnership firms where HUF is a partner)/ company (excluding NBFC)/ Traders/ Businessmen/ professionals or self employed persons/LLPs/ proprietary firms.**

ii. **The Scheme shall be applicable for accounts risk rated upto Moderate Risk only.**

Internal

Canara MSME STAR (Erstwhile Canara MSME CAP scheme) 615/2023

- **Eligibility:**

i. Loan against mortgage of acceptable Land/Land and Building located in

1. Metro
2. Urban
3. Semi-Urban
4. Properties allotted by Govt Authorities/Semi Govt. Authorities, Agencies like Industrial Development Authority, Small Scale Development Authority, Special Economic Zones (SEZs), Industrial estates like Textile Parks etc., irrespective of location & authorized by State/Central Government, either leasehold/freehold subject to conditions
5. Approved Financial Securities

Internal

Canara MSME STAR (Erstwhile Canara MSME CAP scheme) 615/2023

Nature of Facility

- Working Capital -Secured OD (Fund Based and Non-Fund Based)
- Term Loan

Loan Quantum Above Rs. 10 lakhs

Margin

- Term loan -20% of the hard cost of the project cost
- Working capital - 20%.
- NFB – 15% (as per extant guidelines)

Internal

Canara MSME STAR (Erstwhile Canara MSME CAP scheme) 615/2023

- Property in the name of following close relatives can be accepted : father, mother, spouse, brother, sister, son and Daughter provided they stand as Guarantors.
- Property in the name of Minor/s shall be avoided.
- Properties in the name of the following relatives of the promoters can also be accepted, provided they stand as Guarantors: **Brother-in-law, sister-in-law, mother-in-law, father-in-law, daughter in-law and son-in-law**

Internal

Canara MSME STAR (Erstwhile Canara MSME CAP scheme) 615/2023

- **Security Comfort :** Total securities for reckoning security comfort under the schemeshall be 100% or more of the proposed exposure in the form of primary and collateral put together (in the form of Land/Land & Building and/or approved securities),

a. **Accepted Securities : 100% of surrender value**

b. **Thereafter, a minimum of 50% (or more) of the exposure which is not secured by way of Approved Securities in terms of point a). above shall be secured by way of Residential/Commercial Properties.**

c. **Remaining exposure not backed by Approved Securities and/or Residential/ Commercial Properties as specified above, if any, can be secured by way of Primary Securities (in the form of Land/Land and Building), vacant land and/or Industrial Properties.**

d. **However, 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 and is allotted by any government / Statutory body.**

Internal

One valuation If loan is upto 2 Cr,

Two valuation If loan is above 2 Cr, (least to be taken for consideration)

Within 1 year from the date of execution of sale deed: Market Value/ Realizable Value/ Distress Sale Value/ Sale Deed value, whichever is lower, shall be reckoned for calculating the security comfort.

If sale deed is executed more than 1 year ago:

Market Value/ Realizable Value/ Distress Sale Value, whichever is lower, shall be reckoned for calculating the security comfort.

- **Stock Audit**
- **Stock Audit Waived up to Rs.5 Crores in respect of Low & Normal Risk accounts.**
- **For Moderate Risk Rated Accounts: Every Year**

Internal

CANARA MSME CONTRACTOR 615/2023

- **Purpose: To provide working capital assistance (Fund Based/Non Fund Based) in the form of running limit (Secured OD), FLC/ILC & BG for working capital needs and Term Loan for purchase of brand new equipment/ office premises to the existing and prospective eligible contractors/sub-contractors**
- **Product Code : Working capital: 2000 Term loan : 768**
- **Scheme Code 65555**

Internal

CANARA MSME CONTRACTOR

- **Eligibility : New/existing MSMEs engaged in contractor/sub-contractor activity (Individuals, Proprietorship, Partnership, Private & Public Limited Corporates, LLPs).**
- **The Scheme shall be applicable for accounts risk rated upto Moderate Risk only.**
- **Concerns belonging to a common group are also eligible.**
- **Clients financed under the scheme to confine their entire dealings with our Bank.**
- **New clients/units whose market report and prospects are satisfactory subject to their dealings confined to our Bank.**
- **Existing clients should have satisfactory Bank dealings with their existing Bankers**

Internal

CANARA MSME CONTRACTOR

- **Quantum : Above Rs. 25 Lakhs**

  a) Need based finance on credit assessment or 9 times of Tangible Net worth (TNW) whichever is lower/cash flow projected.

  b) Term Loan to the maximum of Rs.10 Crores is permissible.

  c) For Loans above Rs. 2 crores, the valuation shall be carried out by two independent panel valuers and the least should be taken into consideration.

- **Repayment**

  WC: Tenability: 12 Months ,

  TL: 5 years inclusive of holiday period if availed for the purpose other than construction.

  TL: 7 years inclusive of holiday period if availed for the purpose of construction/construction and purchase of equipments

Internal

- Valuation from two independent valuers for loan above Rs.2.00 Cr.
- **TOL:TNW can be permitted upto to 5:1 for manufacturing Units and 7:1**
- **Margin- WC: NIL, TL: 20% NFB – 20%**
- **Stock and BD Statement- Quarterly**
- Minimum Collateral: 100% of loan (contracts of Govt agencies not routed through our Bank / reputed corporates & MNCs); 50% where operative account is with our Bank and Govt-agency payments are received in it – Land/L&B and/or approved financial securities. Out of which
- **Minimum 50%** (or more) of the exposure not secured by way of Approved Securities shall be secured **by way of Residential/Commercial Properties**
- However, **vacant land can be accepted as collateral security to the maximum extent of 25% of the collateral stipulated**
- In any case ,**value of Industrial Land & Building and vacant landed** properties **should not exceed 50% of the minimum stipulated** collateral comfort requirement.

Internal

Canara Mahila Vikas Scheme

- To meet business related needs including purchase/ construction of business premises, machinery, equipment, vehicles and working capital requirements of women under Micro ,Small and Medium Enterprises including Retail Traders.
- Enterprises owned by women complying with the MSME guidelines
- Individuals, Proprietorship concern, Partnership firm, LLPs, Corporate bodies owned and managed by women. In case of Partnership Firm/LLPs/ Private/Public Ltd companies, partners' capital/share capital of minimum 51% with women shall be considered as units owned by women.
- Business entities (existing/proposed) that have completed 2 years of business operations and having a satisfactory track record with the existing banker for last 2 years (both conduct of account with financing branch and financials of the applicant unit).

Internal

Canara Mahila Vikas Scheme

- **New units can be accepted subject to satisfactory market opinion on the promoters and prospects of the project/business proposed.**
- **Minimum CIC score of promoters in individual capacities (i.e. consumer CIC scores) from any empanelled credit bureaus should be 650 (or above, including -1/unrated cases).**
- **Loans shall be sanctioned only upto Moderate Risk rated accounts.**
- **Quantum Above Rs. 10.00 lakhs**
- **Margin**
- **Working capital limit – 20%**
- **Term loan –Term loan: 20% on the hard cost of the project cost.**
- **Repayment TL: Maximum 84 months including suitable moratorium. WC: Tenable for one year.**
- **Scheme Code 65590**
- **Scheme Code 65590 – NO Liquidity Premium and No 0.50% Concession**
- Wherever security comfort (in the form of land/land and building and/or approved collaterals) is **less than 100%, CGTMSE coverage is to be obtained** for the remaining portion not secured by such securities **under Hybrid/Partial Collateral Security** Model of CGTMSE.

Internal

- Minimum Collateral Security:
- For **Low Risk Rated accounts**, minimum collateral comfort shall be stipulated as **25% or above**
- For **Normal Risk Rated accounts**, min collateral comfort shall be stipulated as **50% or above**
- For **Moderate Risk Rated accounts**, min collateral comfort shall be stipulated as **75% or above**
- **50% of the minimum stipulated collateral** security comfort (in terms of value) shall be obtained **by way of mortgage of residential/commercial Land and building only.**
- Security comfort **may comprise of vacant land** also to the extent of a **maximum of 25% of the stipulated security comfort** (in terms of value), provided it has clear demarcation and boundaries with approach roads and is allotted by any government / statutory body.

Internal

CANARA SMART PROFESSIONAL SCHEME

Professionals include Architects, Engineers, Valuers, Management/ Financial Consultants, Chartered Accountants, Cost accountants, Company Secretary and registered medical doctors (Holding degree of MBBS or above)

1. Professionals should have minimum 2 years of experience in their respective profession.

2. Existing customers with satisfactory track record.

3. New customers subject to satisfactory Opinion Letter (OPL) from their existing Bankers.

4. Individuals/Proprietorship/Partnership concerns/ Private limited company (excluding NBFC)/ LLPs.

5. The applicant should be holding a valid certificate/license for carrying out respective profession and should be a registered member with their respective professional Association/Board/ Body etc.

Internal

CANARA SMART PROFESSIONAL SCHEME

6. The existing Professionals/ Firm should be an assessee under Income Tax and shall have a minimum Net Annual Income of Rs. 2 lakhs as per latest available ITR.

7. The Scheme shall be applicable for accounts risk rated upto Moderate Risk only

- Age 25-60 years
- Nature of facility Term Loan and/or working capital (fund based/non-fund based)
- Minimum: Above Rs. 10 Lakhs
- Term Loan: 25% of the hard cost of the project cost
- Working Capital: Nil – Secured OD NFB – 25%
- Repayment
- Working Capital: Tenability: One Year. Maximum of Rs.25.00 Lakhs
- Term Loan: Up to a maximum of 10 years inclusive of repayment holiday and moratorium period based on cash flows
- Product Code
- WC-2000 TL-MFG-766, TL-SERVICES-768
- Scheme Code 65580

Internal

CANARA MSME TEXTILE SCHEME 615/2023

- The Scheme shall be applicable for accounts risk rated upto Moderate Risk.
- In eligible to finance under scheme :
- a. Second Hand Machineries are not eligible to be financed under the scheme.
- b. Service Sector shall not be considered for financing under the scheme
- Nature of Facility
- a. Working Capital
- b. Term Loan (Both Fund Based and Non-Fund Based)
- Quantum
- Above Rs.10 Lakhs
- Margin Working Capital : 25% Term Loan : 25%

Internal

Canara GST – Modification in DoP (IC/894/2025)

- Loan amount upto Rs.10 Crores shall be permitted by respective sanctioning authority as per extant guidelines
- Loan amount above Rs. 10 Crores upto Rs. 20 Crores – Circle Head CAC; above Rs. 20 Crores upto Rs. 30 Crores – GM/CGM-HO-CAC (IC/894/2025).
- Further, ED-CAC and above authorities upto their delegated powers may permit loan amount above Rs. 30.00 Crores on case to case basis based on merits.
- Any variation in policy guidelines shall be placed before ED-CAC and above authorities upto their delegated powers

Internal

- MSME – **MFG/ SERVICE**
- Nature of Facility- **Only WC (FB/NFB- LC/BG**)
- Eligibility - Individuals, Proprietorship, Partnership Concerns, LLP, Companies (excluding NBFC) Traders, Businessmen, Professional or Self Employed. (New customers **with minimum business operation of 6 months**).
- Accounts Risk rated up to **Moderate Risk**
- Working Capital arrangement should be under Sole banking (MBA/Consortium arrangement for Working Capital is not permissible)
- GST Returns of **minimum 6 months** should be available
- At least **75% of turnover reflected in GST Return** should have been routed through the bank account
- Quantum – Min – above Rs. 10 lacs; Rs. 10–20 Cr Circle Head CAC, Rs. 20–30 Cr GM/CGM-HO-CAC, above Rs. 30 Cr ED-CAC & above (case to case). Not eligible for CGTMSE.

Internal

- Margin – **NIL**
- Stock Statement and Unit Inspection - **Quarterly**
- Stock Audit - **Waived**
- Current Ratio should be **minimum 1**
- Penal interest is applicable if the turnover passed through the account is less than **75% of turnover** as per GST return, at the time of Renewal at the rates applicable
- Security:
- Collateral: **minimum 75%** of the loan amount in the form of immovable properties **Land/Land & Building**.
- Circle Head CAC and above authorities have been empowered to sanction loans under the scheme to manufacturing units (only) with collateral security comfort of **50% to < 75%**

Internal

Entire turnover reflected in GST Return should have been routed through the bank account

Penal interest on non compliance

Penalty on outstanding :

Above 50 % to 75% : 0.25

Less than 50 % : 0.50

CGTMSE not eligible

Internal

Canara e-GST – Modifications (IC/86/2026)

- Loan quantum **₹1 lakh – ₹500 lakh** (earlier up to ₹10 L); GST returns min **6 months** (12 m for STP; 6–11 m branch-assisted, turnover = 2 × 6 months).
- ≤ ₹10 L: no collateral, **CGFMU** (STP) · ₹10–25 L: CGTMSE / hybrid / collateral · ₹25–500 L: collateral **≥ 75%**, **not CGTMSE-eligible** (mfg 50–<75% only by Circle Head CAC+).
- ROI above ₹10 L from **RLLR + 0.25%** (≥100% collateral, Low/Normal) to RLLR + 1.50% (CGTMSE only, Moderate); no women / NE / CGTMSE concessions.
- Penal for non-routing at renewal: routed 50–74% → **0.25%**; < 50% → **0.50%**.
- Sanction valid 30 days; cooling-off 3 days (≤ ₹10 L) / 7 days; pre-disbursement work in 7 working days; stock audit waived; scheme code 114330.

Internal

Canara MSME Credit Card (CMCC) 535/23,639/23

Canara MSME Credit Card (CMCC) shall be issued to Individuals /Proprietorship firm Units classified as MSME.

New /Existing MSME units enjoying Working Capital limits in the nature of CC/OD upto Rs. 50 Lakhs

Borrower's existing accounts should not be in SMA 1 & SMA2 position/ limit in expired status /under provisional extension at the time of issuance of the Canara MSME Credit Card.

Canara MSME Credit Card shall be issued to FBWC (Cash Credit/ Overdraft) facility for Business Purpose only and can be utilised within the assessed limit

Internal

Canara MSME Credit Card (CMCC) 535/23,639/23

CMCC limit may be utilized upto extent of available limit in Cash Credit/Overdraft Account. Transaction to be allowed within the Drawing Power available in the CC/ OD limit

Card Variant

For WC Limit(OCC/OD) upto Rs. 10 Lakhs – Rupay Platinum Card Variant

For WC Limit (OCC/OD) above Rs. 10 Lakhs – Rupay Select

Card Variant.

Features of the Card:

a) Linking Rupay Credit Card on UPI Platform for Merchant Payments Utility Bill Payment with Auto pay Service.

b) Accidental Insurance Coverage shall be provided by NPCI as case may be.

c) Lounge Access as per prevailing guidelines of Rupay Platinum/Select Variant Card. Contactless Transactions e) Reward Points as applicable. f) Validity of Card – 5 years

Internal

Canara Micro Credit Card (IC/293/2026, IC/533/2026)

- Budget 2025-26 / DFS scheme; for **Udyam-registered micro enterprises**; RuPay card; **only through JanSamarth**.
- Eligibility: CIC > **650** (−1/0 ok), age **18–75**, up to Moderate, CMR 1–6, no NPA/OTS/write-off, WC not expired.
- Limit = lowest of (a) request − 10% contribution, (b) **20% of existing WC limit**, (c) 90% of monthly income (15% of turnover ÷ 12); **max ₹5 lakh**.
- **Branch Head issues irrespective of DoP**; APR ≤ **18%**; no ATM cash; P2M/M2M only; no joining fee for first 10 lakh cards.
- CGTMSE: cover **75%**, AGF **0.55%**, lock-in **9 months**; **2nd claim after 6 months** from first claim/OTS (IC/533/2026; earlier 3 years).

Different from Canara MSME Credit Card (CMCC – issued within existing CC/OD up to ₹50 L)

Internal

CANARA MSME INN

- An Area Specific Scheme for financing MSMEs engaged/proposed to engage in Hotel Industries
- Nature of Facility:

A. Working Capital Limits (Fund Based - SOD and Non-Fund Based)

B. Term Loan

- Loan Quantum: above Rs. 10 L; up to Rs. 30 Cr (CAC up to Circle Head), Rs. 30–50 Cr GM/CGM-HO-CAC (IC/212/2026). WC max Rs. 5 Cr.
- Margin: Term loan -20% of the hard cost of the project cost Secured OD – Nil NFB – 15% (as per extant guidelines)
- Repayment

Working Capital: Tenable for One year.

Term Loan: Repayment period up to a maximum of 10 years including moratorium.

- Implementation + moratorium: up to 3 years (from 01.04.2026).

Internal

- **In case of Term Loan (Standalone):**
- Collateral Security - **Minimum of 25% -Residential/Commercial Property/ approved securities.**
- However, Primary and Collateral securities put together (in the form of Land/Land & Building and/or approved securities) **shall not be less than 100%**
- **In case of Working Capital Limit(Standalone) SOD Limit**
- **Collateral Security : Minimum of 100%** of the exposure shall be secured by way of **Land/Land & Building and/or approved securities**), of **which 50% of collateral security shall be way of Residential/Commercial Property/ approved securities.**

Internal

CANARA MSME LEATHER 561/23

- To provide finance under Working Capital (Fund Based and NonFund Based) / Term Loan to MSME borrowers (as defined under MSMED Act 2006) engaged in/proposed to engage in Manufacturing/Trading of Leather and Leather products
- Nature of Facility:
- a. Working Capital (Both Fund Based and Non-Fund Based, including Export Credit).
- b. Term Loan
- Loan Quantum
- Minimum: Above Rs. 10 Lakhs
- Maximum: Rs. 50.00 Crores
- Note: Not found in KB 2026-27 or in the FY 2026-27 Area Specific Schemes list (IC/212/2026) – check whether the scheme is still active.

Internal

CANARA MSME LEATHER 561/23

- In case of Traders:
- WC limits: Maximum Cap of Rs.10.00 Crores.
- Margin Term loan -20% of the hard cost of the project cost
- Domestic Fund Based Working capital – Against Stock: 25%, Book Debts: 25%.
- Export limits: Pre Shipment : 10%, Post Shipment: Nil NFB – 15% (as per extant guidelines)
- Repayment Period
- Working Capital: Tenable for One year
- Term Loan: Repayment period up to a maximum of 10 years including moratorium.
- Maximum Moratorium: 2 Years

Internal

CANARA MSME FOOTWEAR (NON LEATHER)563/2023

- To provide finance under Working Capital (Fund Based and NonFund Based) / Term Loan to MSME borrowersengaged in/proposed to engage in Manufacturing/Trading of Footwear/Footwear products (Non Leather) and other related activities
- Nature of Facility:
- a. Working Capital (Both Fund Based and Non-Fund Based, including Export Credit).
- b. Term Loan
- Loan Quantum
- Minimum: Above Rs. 10 Lakhs Maximum: Rs. 50.00 Crores
- In case of Traders: Maximum Cap for WC limit is Rs.10.00 Crores. (Note: scheme not found in KB 2026-27 – check whether still active.)
- Margin Term loan -20% of the hard cost of the project cost
- Domestic Fund Based Working capital – Against Stock : 25%, Book Debts : 25%.
- Export limits: Pre Shipment : 10%, Post Shipment: Nil NFB – 15% (as per extant guidelines)
- Repayment Period: Working Capital: Tenable for One year. Term Loan: Repayment period up to a maximum of 10 years including moratorium. Maximum Moratorium: 2 Years

Internal

CANARA START-UP

- Type of Facility: Working Capital (FB & NFB) and/or Term Loan
- Loan Quantum: Minimum above Rs. 10 lakhs; Maximum Rs. 20 Crores. DoP: up to Rs. 2 Cr GM/CGM-CO-CAC; above Rs. 2 Cr GM/ CGM-HO-CAC. Rating under new Startup Model (IC/430/2026).
- Margin:
- Term loan -20% of the Project Cost Fund Based
- Working capital – Against Stock & Book Debts: 20%
- NFB – 15% (as per extant guidelines)
- 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

Internal

CANARA MSME PHARMA 571/2023

- Nature of Limit: Working Capital (FB & NFB including Export Credit) and / Term loan
- Loan Quantum:
- Minimum :
- Above Rs. 10.00 Lakhs
- Maximum : Rs. 50.00 Crores
- In case of Traders: For Working Capital: Maximum Cap is Rs.10.00 Crores. Margin: Term loan -20% of the hard cost of the Project Cost
- Fund Based Working capital – Against Stocks & Book Debts: 25%
- Export limits: Pre Shipment : 10%, Post Shipment: Nil :NFB – 15% (as per extant guidelines)
- Repayment Working Capital: Tenable for One year Term Loan: Repayment period up to a maximum of 10 years including moratorium. Maximum Moratorium: 2 Years

Internal

Pre-payment Penalty – MSME Loans (P_22/2025, IC/774/2025, IC/18/2026)

- Penalty is levied only when the borrower transfers the loan to another bank/FI: floating-rate loans to non-individuals other than MSEs; fixed-rate loans to all except MSEs.
- Rates: Term Loan 2% of the amount prepaid; WC – FB 2% and NFB 0.50% of sanctioned limit.
- NO pre-payment charges on floating-rate loans to individuals (non-business) and to individuals & MSEs for business – irrespective of source of funds and without lock-in.
- For pre-closure of the loan by the borrower not involving the transfer of accounts to other banks / FIs, no penalty need be levied.
- Waiver/refund for genuine reasons: NHA not below Circle Head CAC; HO-power a/cs – RSA; MC sanctions – CAC of the Board. Waivers/intimations to be maintained in CBS FP BX202 (automated collection – IC/18/2026).
- No charge where pre-payment is at the instance of the Bank; charges must be disclosed in sanction letter, loan agreement & KFS.
- For CC/OD: no charge if borrower intimates non-renewal before the stipulated period and the facility is closed on due date.

Internal

Quick Revision – 2026 Updates

- Collateral-free MSE loans – **₹20 lakh** (₹25 L on track record)
- CV CMR – **15 m** forecast / **36 m** data · Tarun Plus – **Branch Head** up to DoP
- CGTMSE: TL expiry **+4 months** · handling fee **9%** of guarantee fee · DCGS **95%**
- MCGS: machinery **60%**, cover **60%**, payout **3×**; exporters **₹20 Cr / 75%**
- ECLGS 5.0: **100/90%**, 20% of Q4 peak, max ₹100 Cr, ROI cap **9%** – now **closed**
- e-Mudra: age **18+**, **6** bounces, **1** CIR · e-GST: up to **₹500 L**, > ₹25 L no CGTMSE
- WC Digital Renewal: score **650**, expired up to **60 days**, SMA-2 eligible · DLP mandatory for all MSME
- Micro Credit Card: **₹5 L**, 75% cover, 0.55% AGF, 2nd claim **6 months**
- EPM subvention **2.75%**, cap ₹50 L/IEC · Collateral support **85% / 65%** · SEOE RP **90%**
- Canara Start-Up max **₹20 Cr** · MSME INN up to **₹50 Cr** · Canara GST DoP **10/20/30 Cr**

Internal

THANK YOU

Internal