

Date last modified: 12.12.2025

RATE OF INTEREST ON LOANS & ADVANCES TO MICRO, SMALL & MEDIUM ENTERPRISES(MSME)

Rate of interest on loans and advances sanctioned on or after 01.10.2019 are priced under Repo Linked Lending Rate (RLLR).

RLLR effective from 12.12.2025 is 8.00%.

I. Rate of Interest for Working Capital & short-term loans: (Repayable in less than 36 Months):

Sector	Sanctions	Rate of Interest	
		Micro & Small Enterprises	Medium Enterprises
Manufacturing & Service Units	Up to Rs.50000/-	RLLR + 1.05%	RLLR + 1.05%
	Above Rs.50000/- up to Rs.2 lakhs	RLLR + 1.05%	RLLR + 1.05%

II. Rate of Interest for Term Loans:

Sector	Sanctions	Rate of Interest	
		Micro & Small Enterprises	Medium Enterprises
Manufacturing & Service Units	Up to Rs.50000/-	RLLR + 1.30%	RLLR + 1.30%
	Above Rs.50000/- up to Rs.2 lakhs	RLLR + 1.55%	RLLR + 1.55%

III. Rate of Interest for both Term Loans and Working Capital Limits under Manufacturing & Service Units:

Exposure above Rs.2 Lakhs up to Rs.1 Crore	Rate of Interest is based on Credit Risk Rating.
Exposure above Rs.1 Crore up to Rs.2 Crore	Rate of Interest linked to % of value of combined security value of immovable property (freehold/leasehold in the form of prime and/or collateral) mortgaged, approved collaterals and extent of coverage under CGTMSE in proportion to the exposure, and based on internal Risk Rating/Grade.
Exposure Above Rs.2 Crore up to Rs.7.50 Crores	Rate of Interest linked to % of value of combined security value of immovable property (freehold/leasehold in the form of prime and/or collateral) mortgaged, approved collaterals, extent of coverage under CGTMSE in proportion to the exposure and based on internal Risk Rating/Grade.

Exposures Above Rs.7.50 Crores up to Rs. 50.00 Crores	Rate of Interest linked to % of value of combined security value of immovable property other than vacant land (freehold/leasehold in the form of prime and/or collateral) mortgaged, approved collaterals etc. in proportion to the exposure and based on internal Risk Rating/grade.
Exposures Above Rs.50 Crores external rated accounts	Rate of Interest linked to External Risk Rating/Grades by External Credit Assessment Institutions (ECAIs)
Exposures Above Rs.50 Crores externally unrated accounts and rated internally	Rate of Interest linked to % of value of combined security value of immovable property (freehold/leasehold in the form of prime and/or collateral) mortgaged, approved collaterals etc. in proportion to the exposure and based on internal Risk Rating /grade with additional interest of 0.50% over and above the applicable rate of interest till the account is rated externally.

IV. For loans repayable more than 1 year the liquidity premium to be loaded to the card rates additionally, w.e.f 01.04.2025 as given below:

Tenor of the loan	Additional liquidity premium over and above applicable Rate of Interest
> 1 year to 2 years	0.20%
> 2 years to 3 years	0.25%
> 3 years to 5 years	0.25%
> 5 years to 7 years	0.30%
> 7 years to 10 years	0.30%
> 10 years	0.45%

Conditions apply. The information provided above is only illustrative and not exhaustive.

Contact: For more details, please contact your nearest Canara Bank Branch or E-mail to: hosbu@canarabank.com.