

New Penal charges on loans and advances effective from 01.04.2024

Penal charges will be applicable for non-compliance of Material Terms and Conditions (as mentioned in the table below), with respect to all loans (other than those specifically exempted as listed below) that are sanctioned/ disbursed/ renewed/ reviewed from 01.04.2024.

Please note:

- (a) Penal charges will be collected only for the actual number of days for which the account is in default/ has arrears/ is overdrawn (or) for the actual number of days for which the material terms and conditions remained non-complied.
- (b) Penal charges will not be compounded/ capitalized i.e., Penal charges will not form part of balance outstanding while computing future interest.
- (c) GST as applicable will be collected.

Material Terms and Conditions, non-compliance of which attract penal charges	Penal charges and effective date
Failure to Pay Due Amount: Non- payment of the amount due to the Bank on or before the due date (other than for revolving credit facilities like Cash Credit and Overdraft)	4% p.a. for the amount due, effective from the due date
Non-renewal of Account: Non-renewal of account by due date, due to non-submission or delayed submission of financials/ other data by the borrower (for revolving credit facilities)	4% p.a. on the balance outstanding from the due date for renewal
Exceeding Sanctioned Limit / DP: Balance in excess of the sanctioned limit or drawing power (DP), whichever is lower (for revolving credit facilities)	4% p.a. on the overdue portion from the date of overdue
Non-regularization of Temporary Overdrafts (TOD) / Ad Hoc: Non - regularization of Temporary Overdraft (TOD) / Ad hoc on due date, including the TODs sanctioned in Savings Bank Accounts and Current Accounts	4% p.a. on the TOD / Ad hoc amount from the due date
Delayed Submission of Stock / BR / CB Statements: Non - submission of Stock Statement/ Bills Receivable (BR) statement/ Cash Budget (CB) within the prescribed timelines	4% p.a. on the balance outstanding from the due date for submission

For existing loans:

1. Penal charges will be applicable from the date of renewal/ review or 30.06.2024, whichever is earlier.
2. Till the date of renewal/ review or till 30.06.2024, whichever is earlier, the prevailing penal interest as agreed between the customer and the Bank will continue.

Loan products/categories exempted from Penal Charges:

Priority Sector Loans up to ₹25000/-
Credit Cards
External Commercial Borrowings
Trade Credit including Rupee/Foreign Export Credit
Foreign Currency Loans