

PENAL CHARGES

Penal Charges for Various non-compliance of terms & conditions of sanction of credit facilities (applicable w.e.f.01/04/2024)

Nature of non Compliance	Quantam of Penal Charges
1. Delayed payment of dues including Principal, Interest, Service Charges, Bills overdue etc.	2% on overdue/overdrawn amount (installment and/or interest) for the overdue period and not on the entire liability
2. Excess over the drawing limit due to insufficient stock and book debts in case of fund based working capital limit	2% on overdrawn amount for the overdrawn period and not on the entire liability
3. Delayed payment in case of TOD/excess/Ad-hoc limit sanctioned.	2% on overdrawn amount for the overdrawn period and not on the entire liability
4. Delayed/non-submission of Stock & Book Debts statement	2% on entire outstanding of fund based working capital facility for the default period.
5. Delayed submission of required data for renewal of credit facilities for the period beyond due date	2% on entire outstanding of fund based working capital facility in indian rupees
6. Non-compliance of Financial Covenants as per sanction terms & conditions	0.25% p.a. for non-compliance of each condition, subject to maximum 1% with minimum of Rs.1000/- and maximum of Rs.1.00 Lac for first time and Rs.2.00 lac for from 2nd time onwards
7. Borrower delayed/failed to create equitable mortgage of immovable property/ies within stipulated time or creation/Registration of required Charges, without extension of time from Bank.	0.25% p.a. for delay/default period subject to maximum 1% with minimum Rs. 5000/- and maximum of Rs.1.00 Lac for first time and Rs.2.00 Lac from 2nd time onwards.
8. Late/non submission of any permission stipulated with time limit	0.50% p.a. for delay/default period
9. In case of company/LLP, the borrower has not created ROC charges in favour of Bank within stipulated time.	0.25% p.a. for delayed/default period
10. Delay in submission of Audited Financial Statements, GST, IT Return	2% p.a. for delayed/default period
11. In CC/OD a/cs where utilisation of limit less than 50%	2% commitment charges on un availed limit portion
12. In case of takeover of CC/OD a/c by another Bank, Bank will charge Document Handling charges	2% of sanctioned limit
12. In case of takeover of Loan against Property a/c by another Bank, Bank will charge document Handling charges	2% of outstanding amount as per amortisation chart

* The aspect of penal charges in loan account shall replace the hitherto concept of penal interest in all loan products.

* There shall be no capitalisation of penal charges i.e. no further interest computed on such charges.

* Goods and Service Tax (GST) be applicable over and above the penal charges as per extant guidelines on applicability of GST on service charges for advances.

* The instructions shall be implemented in respect of all the loans (Fresh & Existing) sanctioned from 01/04/2024 onwards.