

Fair Lending Practice – Penal Charges in Loan accounts

In compliance with the RBI Circular dated August 18, 2023, on Fair Lending Practice – Penal Charges in Loan Accounts (as amended from time to time), we wish to inform you that the Bank will levy penal charges for non-compliance with the material terms and conditions of the Financing Document.

Details of such penal charges and reasons for the same are set out in the table below. Imposition of these penal charges are necessitated by the directions of the RBI and therefore, they shall be deemed to form an integral part of the Financing Document.

These charges are applicable from **April 1, 2024**.

Nature of default	Reckoning of Penal Charge	Penal Charge applicable
Payment default for Interest and/or Principal	Immediately due and payable on demand by the Lender	INR 10,000 (For each instance of default)

Note –

- *The above penal charge is subject to be revised from time to time by the Bank, as will be updated on the official website of the Bank.*
- *The instructions as contained herein are not applicable to products covered under the RBI Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as amended from time to time).*
- *The GST Council has clarified that no GST is payable on the penal charges levied by Regulated Entities, in compliance with RBI directions dated 18.08.2023, for non-compliance with material terms and conditions of loan contract by the borrower.*