

Penal Charges for various kind of Credit facilities (Applicable w.e.f 01.04.2024)

The following charges have been identified as penal charges for various kind of Credit facilities being provided by the Bank at present.

Sl. No	Nature of Charge	Quantum of Penal Charge	
		Sanction amount	Penal charges
1	Penalty for delayed payment of dues including Principal, interest, service charges, retirement of bills etc. in case of Priority Sector Loans.	Up-to Rs.25,000	NIL
		Above Rs.25,000/- & up-to Rs.2.00 lakhs	1.00% p.a. on the amount of default.
		Above Rs.2.00 lakhs	2.00% p.a. on the amount of default
		<ul style="list-style-type: none"> • In respect of Agriculture Term Loans Penal charges will not apply up-to 3 months from due date if default is due to genuine reasons. • All advances under Govt. sponsored schemes are exempted from the purview of penal charges in respect of delayed payments of dues. • Penal charge is to be charged only on delayed payments (instalment and/or interest) for the overdue period and not on the entire liability. Penalty shall be charged for the actual number of days of default. 	

Sl. No	Nature of Charge	Quantum of Penal Charge							
2	Penalty for delayed payment of dues including Principal, interest, service charges, retirement of bills etc. in case of Non priority Loans.	<table border="1"> <thead> <tr> <th data-bbox="560 347 1218 416">Sanction amount</th> <th data-bbox="1218 347 2063 416">Penal charges</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 416 1218 485">up-to Rs.5,000</td> <td data-bbox="1218 416 2063 485">NIL</td> </tr> <tr> <td data-bbox="560 485 1218 553">Above Rs. 5,000</td> <td data-bbox="1218 485 2063 553">2.00% p.a. on the amount of default</td> </tr> </tbody> </table>	Sanction amount	Penal charges	up-to Rs.5,000	NIL	Above Rs. 5,000	2.00% p.a. on the amount of default	
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3		<p>1.00% p.a. on the amount of default.</p> <p>Penalty is to be charged only on delayed payments (instalment and/or interest) for the overdue period and not on the entire liability. Penalty shall be charged for the actual number of days of default.</p>							

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		Loan amount	Loans granted before 01.06.2001	Loans granted after 01.06.2001
4	Penalty for delayed payment of dues including Principal, interest, service charges in case of Education Loans	Up-to Rs. 25,000-/-	NIL	NIL
		Above Rs. 25,000 and up-to Rs. 2 Lakh	1.00% p.a. on the amount of default	NIL
		Above Rs. 2 Lakh	2.00% p.a. on the amount of default	2.00% p.a. on the amount of default
		Penalty is to be charged only on delayed payments (instalment and/or interest) for the overdue period and not on the entire liability. Penalty shall be charged for the actual number of days of default.		
5	Delayed / non-submission of stocks / MSOD / Book Debt Statement	2.00% p.a. on the entire liability of the party for the delayed period.		
6	Delay in/non submission of QOS/ HOS	<ul style="list-style-type: none"> • 1% on the Fund based liability for delayed/non-submission in respect of existing accounts as well as fresh sanctions for the delayed period. • 0.25% on the NFB liability subject to a cap of ₹1.00 lakh per month for parties who enjoy exclusive NFB limits. • Where party is enjoying both FB & NFB limits, penalty shall be 1% on FB liability and 0.25% on the NFB liability as above shall be charged. 		

Sl. No	Nature of Charge	Quantum of Penal Charge
7	Drawings in excess of sanctioned limits (including expired limits) in OCC, OD accounts & KCC including WCDL.	2.00% p.a. on the overdrawn portion till the account is regularized. Penalty shall be charged for the actual number of days of overdrawing. Wherever Borrower has submitted renewal proposal within specified timelines of the Bank before expiry of tenability and renewal is pending for want of sanction from competent authority, no penalty is to be charged.
8	Drawings in excess of drawing power (including expired limits) in case of OD, OCC, KCC (including WCDL)	7.00% p.a. on the overdrawn portion till the account is regularized. Penalty shall be charged for the actual number of days of overdrawing.
9	Devolved Liabilities	2.00% p.a. from the date of devolvement till its regularization.
10	Bills purchased a) Demand Bills b) Usance Bills	2.00% p.a. from 8th day and onwards till realization/recovery. 2.00% p.a. from the due date till its regularization / clearance.

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11	Diversion of funds	5% on the entire liability from the date of such diversion till its replenishment.
12	Delay in creation of EMT / second charge	1.00% p.a. on the outstanding liability.
13	Delay in submission of Audited financial statement	2.00% p.a. on the entire liability of the party for the delayed period (except exempted category as per Policy Guidelines). Penalty shall be charged for the actual number of days of delay.
14	Penalty for non-compliance of Bill culture norms.	2.00% p.a. on the liability on a quarterly basis.

Sl. No	Nature of Charge	Quantum of Penal Charge									
15	Penal charges for non-submission of renewal papers before 1 month of expiry date.	<table border="1"> <thead> <tr> <th data-bbox="562 360 815 472">Loan/limit (FB+NFB)</th> <th data-bbox="815 360 1592 472">Amount of charges</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 472 815 584">Up-to Rs. 10 lakhs</td> <td data-bbox="815 472 1592 584">Nil</td> </tr> <tr> <td data-bbox="562 584 815 743">Above Rs. 10 lakhs to Rs. 10 crores</td> <td data-bbox="815 584 1592 743">Flat Rs. 5000/- up-to the due date of renewal and flat Rs. 10000/- per month thereafter till the date of submission</td> </tr> <tr> <td data-bbox="562 743 815 903">For limits beyond Rs. 10 crores</td> <td data-bbox="815 743 1592 903">Flat Rs. 25000/- + GST up-to the due date of renewal and flat Rs. 50000/- + GST per month thereafter till the date of submission.</td> </tr> </tbody> </table>	Loan/limit (FB+NFB)	Amount of charges	Up-to Rs. 10 lakhs	Nil	Above Rs. 10 lakhs to Rs. 10 crores	Flat Rs. 5000/- up-to the due date of renewal and flat Rs. 10000/- per month thereafter till the date of submission	For limits beyond Rs. 10 crores	Flat Rs. 25000/- + GST up-to the due date of renewal and flat Rs. 50000/- + GST per month thereafter till the date of submission.	
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16	Penalty for non-construction of house in case of housing loan (including HL-CRE) within the time limit as permitted by the sanctioning authority.	2.00% p.a. from the date of sanction till the start of construction on the outstanding liability.									

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17	Penalty for accounts slipping to NPA	In case of an account turning NPA, penalty at a rate of 2.00% p.a. on the outstanding to be levied. Further, concessions, if any, extended to the account shall immediately be reviewed by the respective sanctioning authority.						
18	Penal Charges for Unhedged Foreign Currency Exposure (UFCE)	<p>UFCE guidelines are applicable to all entities which have borrowed from banks including borrowing in Indian Rupees and other currencies i.e. provisioning and additional risk weights shall be calculated on the entire credit exposure of the borrower entity (with UFCE) with the respective bank. The guidelines for pricing of credit risk on account of UFCE shall be as under:</p> <ul style="list-style-type: none"> • Penal charges shall be charged on account of unhedged foreign currency exposure (excluding those waived by the competent authority) as under where natural hedge is not available and where stipulated margin or additional collateral comfort is not available • In case the penal charges are on account of Additional provisioning, the same shall be applied on Average Quarterly Fund Based Outstanding. • In case the penal charges are on account of Additional RWA, the same shall be applied on Total Exposure (FB + NFB). • Detailed guidelines on computation of additional charges on account UFCE are given in Credit Policy for Domestic Branches (HO Cir. 532/2023 dated 03.07.2023). <p>Charges to be collected in case of Existing Entities having three years Audited Financials:</p> <table border="1" data-bbox="577 1177 2063 1366"> <thead> <tr> <th data-bbox="577 1177 1037 1366">Additional Charges to be collected (% per annum)</th> <th data-bbox="1037 1177 1794 1366">Cost of Incremental Provisioning to be recovered (as a percentage of Average Quarterly Fund Based Outstanding)</th> <th data-bbox="1794 1177 2063 1366">Cost of Incremental RWA to be levied on full exposure (FB+ NFB)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Additional Charges to be collected (% per annum)	Cost of Incremental Provisioning to be recovered (as a percentage of Average Quarterly Fund Based Outstanding)	Cost of Incremental RWA to be levied on full exposure (FB+ NFB)			
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		Potential loss to EBID Ratio		Up-to 15%	15% to 30%	30% to 50%	50% to 75%	>75%	>75%-For RWA
		External	Internal						
		AAA	LR	-	-	-	-	-	0.40%
		AA		-	-	-	0.10%	0.14%	0.40%
		A	NR	-	-	0.06%	0.12%	0.16%	0.40%
		BBB	MR	-	0.04%	0.08%	0.14%	0.18%	0.40%
		BB & Below	HR	-	0.06%	0.10%	0.16%	0.20%	0.40%
		Charges to be collected in case of							
		i) New Entities							
		ii) Entities not having three years Audited Financials							
		iii) Entities where bank has exposure to Project Under Implementation							
		Additional Charges to be collected (% per annum)		Cost of Incremental Provisioning to be recovered (as a percentage of Avg. Quarterly Fund Based Outstanding)				Cost of Incremental RWA to be levied on full exposure (FB + NFB)	
		Potential loss to EBID Ratio		Up-to 15%	15% to 30%	30% to 50%	50% to 75%	>75%	>75%-For RWA
		External	Internal						
		AAA	LR	-	-	-	-	-	0.40%
		AA		-	0.04%	0.06%	0.10%	0.14%	0.40%
		A	NR	0.04%	0.06%	0.08%	0.12%	0.16%	0.40%

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				BBB	MR	0.04%	0.08%	0.10%	0.14%
		BB & Below	HR	0.06%	0.10%	0.12%	0.16%	0.20%	0.40%
		<p>Note:</p> <ul style="list-style-type: none"> Where both internal and external ratings are available, the external rating shall be taken into account for stipulating additional charge. In case any eligible entity is not submitting the required data to our bank, an additional penal charge of 1% p.a. shall be levied on the entire exposure (i.e. Fund Based Plus Non-Fund Based) without fail. 							
19	Penal Charges for Pre-Payment of Credit facilities	<p>The Bank has stipulated pre-payment penalty for pre-closure of Term Loans (both priority and non-priority) and loans under various Retail Lending Schemes of the Bank as under:</p> <ol style="list-style-type: none"> Penal charges on pre-payment of credit facilities shall be levied wherever the borrower makes request for transfer of their credit facilities to other Banks/FIs. Pre-payment penalty shall be collected at the following rates: <ol style="list-style-type: none"> Term Loans: 2% of the outstanding liability. Working capital facilities: Pre-payment penalty shall be collected for working capital facilities at the following rates: <ol style="list-style-type: none"> Fund based limits @2.00% of the sanctioned limits. Non-fund based limits @0.50% of the sanctioned limits. These guidelines are applicable in respect of the loans availed both under fixed & floating rates of interest. 							

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		<p>4. For pre-closure of the facilities by the borrower not involving the transfer of accounts to other banks / FIs, no penalty need be levied.</p> <p>5. Pre-payment penalty is waived in respect of credit facilities sanctioned to all MSE (Micro and Small Enterprises) borrowers to fall in line with MSE Code 2015.</p> <p>6. Penal charges shall not be levied in case of all floating rate term loans sanctioned, for purposes other than business, to individual borrowers with or without co-obligants.</p> <p>In other words, pre-payment penalty shall be collected for floating rate credit facilities sanctioned, for business purposes to individual borrowers other than MSE category.</p>										
20	Commitment Charges	<p>Commitment charges shall be collected quarterly based on average utilization as under:</p> <table border="1" data-bbox="562 786 2074 1209"> <thead> <tr> <th data-bbox="562 786 1256 834">Average Utilisation Level</th> <th data-bbox="1256 786 2074 834">Commitment Charges</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 834 1256 938">If the average utilisation during the quarter is more than 75%.</td> <td data-bbox="1256 834 2074 938">No charges</td> </tr> <tr> <td data-bbox="562 938 1256 1042">If the average utilization during the quarter is between 50-75%</td> <td data-bbox="1256 938 2074 1042">0.50% p.a. to be recovered on entire unutilized portion on a quarterly basis.</td> </tr> <tr> <td data-bbox="562 1042 1256 1145">If the average utilization during the quarter is less than 50%</td> <td data-bbox="1256 1042 2074 1145">1.00% p.a. on entire unutilized portion on a quarterly basis.</td> </tr> <tr> <td data-bbox="562 1145 1256 1209">For standby credit</td> <td data-bbox="1256 1145 2074 1209">Nil</td> </tr> </tbody> </table> <p><u>Other Guidelines:</u></p> <ul style="list-style-type: none"> Commitment charges shall be reckoned from the date of execution of documentation. 	Average Utilisation Level	Commitment Charges	If the average utilisation during the quarter is more than 75%.	No charges	If the average utilization during the quarter is between 50-75%	0.50% p.a. to be recovered on entire unutilized portion on a quarterly basis.	If the average utilization during the quarter is less than 50%	1.00% p.a. on entire unutilized portion on a quarterly basis.	For standby credit	Nil
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		<ul style="list-style-type: none"> • Commitment charges shall be levied on the unutilised / unavailed sanctioned working capital limits / Short Term limit for working capital purposes, including WCDL / Term loans in respect of corporate borrowers with sanctioned limits (FB, NFB or combination including Term Loans) of Rs. 10 crores and above from Bank. • The aforesaid commitment charges are to be collected irrespective of whether the sanctioned limits are cancellable or not (fully or partly). UCC clause applicable. • In case of Term loans, the draw down schedules are to be obtained from the party while sanctioning the loan and levy of commitment charge shall be aligned to the same. In case the first disbursement as per the sanction does not take place within 3 months from the first scheduled draw down date, then commitment charge for the Term loan shall be levied from the date of execution of documentation till its first availment, computed on the amount of unavailed drawdown portion. • In cases where Bank prescribes additional terms and conditions after sanction and before availment and if the party is unable to comply with the same resulting in non-availment of the sanctioned limit, commitment charge need not be collected in these cases. • The guidelines on commitment charges are applicable in respect of our advances under sole banking, multiple banking and consortium advances either as leader or member to the extent of our share/ sanction. <p>In respect of peak and non-peak limits (as permitted in the sanction), the commitment charges shall be collected as under:</p> <table border="1" data-bbox="801 1145 1832 1375"> <tbody> <tr> <td data-bbox="801 1145 1415 1262">If the average utilisation during the quarter is more than 75% of the peak / non peak limit.</td> <td data-bbox="1415 1145 1832 1262">No charges.</td> </tr> <tr> <td data-bbox="801 1262 1415 1375">If the average utilization during the quarter is less than 75% of the peak / non peak limit</td> <td data-bbox="1415 1262 1832 1375">1.00% p.a. on entire unutilized portion on a quarterly basis.</td> </tr> </tbody> </table>	If the average utilisation during the quarter is more than 75% of the peak / non peak limit.	No charges.	If the average utilization during the quarter is less than 75% of the peak / non peak limit	1.00% p.a. on entire unutilized portion on a quarterly basis.
If the average utilisation during the quarter is more than 75% of the peak / non peak limit.	No charges.					
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		<p>Levy of commitment charges is not applicable in the following cases:</p> <ul style="list-style-type: none"> • Limits sanctioned to sick / weak units. • Limits sanctioned for Export credit (both pre-shipment and post-shipment) • Short term credit facilities linked to market benchmarks (as put and call option with 24 hours' notice is available). • Inland Bills extended by way of Bills Purchased/Discounted, Credit Limits granted to Commercial Banks, Financial Institutions, Cooperative Banks, RRB's. <p>However, sanctioning authority may stipulate commitment charges in the above cases on a case to case basis.</p>
21	TOD in SB/CA	<p>2.00% p.a. for the period beyond 15 days till the date of regularization irrespective of TOD amount.</p> <p>This shall not be applied to product specific guidelines like overdraft permitted under Canara Payroll Package etc. and the same shall be covered under product specific guidelines.</p>