

NOTICE ON PENAL CHARGE FOR ADVANCES

Penalty, if charged, for 'non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charge'.

A Penal charge to be calculated @ 0.25% p.m. {OR 3.00% p.a.} (of the sanctioned limit or outstanding, whichever is lower) + GST as applicable per month will be recovered. It would be applicable in the following indicative cases :-

- a) Non-submission of statements/ documents within the stipulated time that may be required by the Bank from time to time**
- b) Non-compliance with the terms and conditions of sanction**
- c) Non-renewal of the account (for Cash credit and Overdraft facilities) on or before the due date**
- d) Non-payment of the principal and/or interest within the stipulated time frame i.e. overdue amounts.**

Penalty, if charged, for default/ non-compliance of material terms and conditions of loan contract by the borrower shall be treated as penal charges with GST as applicable.

From receipt of funds the Penal charge to be first recovered followed by other charges then interest and principal.

'Penal charge' would be effective to all accounts from 01.04.2024