

The following events/ instances shall be deemed to be material terms and conditions on which credit facilities are sanctioned by Banks to the borrowers and penal charges for their non-compliance shall be as under:

Sr. No.	Nature of default / Delay	Reckoning of Penal Charges	Penal Charges applicable rate with monthly rests
1	Delay in repayment of EMI/Principal/Interest.	Overdue penal charges may be charged from the due date till such time as the default amount is paid	2% p.a (excluding GST) on default /overdue amount as applicable
2	Delay in regularization of Over limit (TOL)/Ad hoc/Onetime limit.	Overdue penal charges may be charged from the due date till such time as the default amount is paid	2% p.a (excluding GST) on default /overdue amount as applicable
3	Non submission or delayed submission of stock / Book debts (Debtors) statements.	From due date to the date of submission	2% p.a (excluding GST) on the outstanding amount
4	Submission of audited financials as on 31 st March every year by 10 th October	From due date to the date of submission to the satisfaction of the Bank	1% p.a (excluding GST) on the outstanding amount
5	Non submission of financial statements /documents/ renewal data for renewal of facilities one month before due date	From due date to the date of submission to the satisfaction of the Bank (No penal charges to be levied if approval for renewal is pending from the sanctioning authority)	1% p.a (excluding GST) on the outstanding amount upto due date of renewal and thereafter 1.50% p.a. till the date of submission.
6	Take over of credit facilities by Bank/ FIs before due date / renewal date	On or before liquidation of bank dues.	2% p.a (excluding GST) on the outstanding amount in case of term loan and sanctioned limit in case of working capital limit.
7	Non-creation /perfection of security within the timeline	From expiration of related timeline till the same are cured /complied with to the satisfaction of the Bank	2% p.a (excluding GST) on the outstanding amount
8	Non compliance of sanction terms / covenants which may increase credit risk and / or affect the interest of the Bank	From expiration of related timeline till the same are cured /complied with to the satisfaction of the Bank	1% p.a (excluding GST) on the outstanding amount. In case of multiple nature / events of defaults maximum penal charges should @2% p.a.
9	Commitment Charges for under / no-utilisation of sanctioned facility		Commitment Charges
		If utilization is more than 75%	No charges
		If utilization is between 50 to 75%	0.50% p.a. on unutilized portion only
		If utilization is less than 50%	1% p.a. on entire unutilized portion