

Penal Charges for various kind of Credit facilities (Applicable w.e.f 01.01.2024)-Updated as on 12.12.2025

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. 	
2	Penalty for delayed payment of dues including Principal, interest, service	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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	charges, retirement of bills etc. in case of Non priority Loans.	TOD – 2.00% p.a. for the period beyond 15 days till the date of regularization irrespective of TOD amount. 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.														
3	Penalty for delayed payment of dues in case of loans granted through Co-op. Societies, PCCS/ FSS/LAMPS	1.00% 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.														
4	Penalty for delayed payment of dues including Principal, interest, service charges in case of Education Loans	<table><tr><th>Loan amount</th><th>Loans granted before 01.06.2001</th><th>Loans granted after 01.06.2001</th></tr><tr><td>Up-to Rs. 25,000-/-</td><td>NIL</td><td>NIL</td></tr><tr><td>Above Rs. 25,000 and up-to Rs. 2 Lakh</td><td>1.00% p.a. on the amount of default</td><td>NIL</td></tr><tr><td>Above Rs. 2 Lakh</td><td>2.00% p.a. on the amount of default</td><td>2.00% p.a. on the amount of default</td></tr></table> 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.			Loan amount	Loans granted before 01.06.2001	Loans granted after 01.06.2001	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
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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.
7	Drawings in excess of sanctioned limits (including expired limits) in OCC, OD accounts & KCC including WCDL.	<p>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.</p> <p>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.</p>
8	Drawings in excess of drawing power (including expired limits)	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.

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	in case of OD, OCC, KCC (including WCDL)	
9	Devolved Liabilities	2.00% p.a. from the date of devolvment till its regularization.
10	Bills purchased	
	a) Demand Bills	2.00% p.a. from 8th day and onwards till realization/recovery.
	b) Usance Bills	2.00% p.a. from the due date till its regularization / clearance.
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-	2.00% p.a. on the liability on a quarterly basis.

Sl. No	Nature of Charge	Quantum of Penal Charge	
	compliance of Bill culture norms.		
15	Penal charges for non-submission of renewal papers before 1 month of expiry date.	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.
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 availableIn 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). <p>Charges to be collected in case of Existing Entities having three years Audited Financials:</p> <table><tr><th colspan="2">Additional Charges to be collected (% per annum)</th><th colspan="5">Cost of Incremental Provisioning to be recovered (as a percentage of Average Quarterly Fund Based Outstanding)</th><th>Cost of Incremental RWA to be levied on full exposure (FB+ NFB)</th></tr><tr><th colspan="2">Potential loss to EBID Ratio</th><th rowspan="2">Up-to 15%</th><th rowspan="2">15% to 30%</th><th rowspan="2">30% to 50%</th><th rowspan="2">50% to 75%</th><th rowspan="2">>75%</th><th rowspan="2">>75%-For RWA</th></tr><tr><th>External</th><th>Internal</th></tr><tr><td>AAA</td><td rowspan="2">LR</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>0.40%</td></tr><tr><td>AA</td><td>-</td><td>-</td><td>-</td><td>0.10%</td><td>0.14%</td><td>0.40%</td></tr><tr><td>A</td><td>NR</td><td>-</td><td>-</td><td>0.06%</td><td>0.12%</td><td>0.16%</td><td>0.40%</td></tr><tr><td>BBB</td><td>MR</td><td>-</td><td>0.04%</td><td>0.08%</td><td>0.14%</td><td>0.18%</td><td>0.40%</td></tr><tr><td>BB & Below</td><td>HR</td><td>-</td><td>0.06%</td><td>0.10%</td><td>0.16%</td><td>0.20%</td><td>0.40%</td></tr></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)	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%
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		Charges to be collected in case of <div>i) New Entities ii) Entities not having three years Audited Financials iii) Entities where bank has exposure to Project Under Implementation</div>							
		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%
		BBB	MR	0.04%	0.08%	0.10%	0.14%	0.18%	0.40%
		BB & Below	HR	0.06%	0.10%	0.12%	0.16%	0.20%	0.40%
		Note: <div><div>• Where both internal and external ratings are available, the external rating shall be taken into account for stipulating additional charge.</div><div>• 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.</div></div>							

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19	Penal Charges for Pre-Payment of Loan (Applicable till 31.12.2025)	<p>The Bank has stipulated penal charges for pre-closure of credit facilities (both priority and non-priority) and loans under various Retail Lending Schemes of the Bank as follows:</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. These guidelines are applicable in respect of the loans availed both under fixed & floating rates of interest. Prepayment 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.
	Penal Charges for Pre-Payment of Loan (Applicable w.e.f 01.01.2026)	<p>The penal charges for pre-closure of credit facilities (both priority and non-priority) and loans under various Retail Lending Schemes of the Bank is as follows:</p> <ol style="list-style-type: none"> Penal charges on pre-payment of credit facilities <u>shall be</u> levied wherever the borrower makes request for transfer of their credit facilities to other banks/ FIs in the below given cases: <ol style="list-style-type: none"> For all credit facilities granted under floating ROI regime to non-individuals other than MSEs. For all credit facilities sanctioned under fixed ROI regime to individuals & non-individuals except MSEs. Penal charges <u>shall not</u> be levied in case of all floating rate loans sanctioned: <ol style="list-style-type: none"> For purposes other than business to individual borrowers with or without co-obligants. For business purpose to individuals and MSEs, with or without co-obligant(s). <p>The guidelines as ii (a) and ii (b) above shall be applicable irrespective of the source of funds used for pre-payment of loans, either in part or in full, and without any minimum lock-in period.</p>

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		<p>iii. Prepayment penalty shall be collected at the following rates:</p> <p>a) Term Loans: 2% of the outstanding liability.</p> <p>b) Working capital facilities: Pre-payment penalty shall be collected for working capital facilities at the following rates:</p> <p>A. Fund based limits @2.00% of the sanctioned limits.</p> <p>B. Non-fund based limits @0.50% of the sanctioned limits.</p> <ul style="list-style-type: none">• Applicability of above guidelines for dual/ special rate (combination of fixed and floating rate) loans will depend on whether the loan is on floating rate at the time of prepayment.• Further, in case of term loans, pre-payment charges, if levied, shall be based on the amount being prepaid.• In case of cash credit/ overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied on an amount not exceeding the sanctioned limit. In case of cash credit/ overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates the bank of his/ her/ its intention not to renew the facility before the period as stipulated in the loan agreement, provided that the facility gets closed on the due date.										
20	Commitment Charges	<p>Commitment charges shall be collected quarterly based on average utilization as under:</p> <table><tr><th>Average Utilisation Level</th><th>Commitment Charges</th></tr><tr><td>If the average utilisation during the quarter is more than 75%.</td><td>No charges</td></tr><tr><td>If the average utilization during the quarter is between 50-75%</td><td>0.50% p.a. to be recovered on entire unutilized portion on a quarterly basis.</td></tr><tr><td>If the average utilization during the quarter is less than 50%</td><td>1.00% p.a. on entire unutilized portion on a quarterly basis.</td></tr><tr><td>For standby credit</td><td>Nil</td></tr></table>	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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For standby credit	Nil											

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		<p><u>Other Guidelines:</u></p> <ul style="list-style-type: none">• Commitment charges shall be reckoned from the date of execution of documentation.• 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><tr><td>If the average utilisation during the quarter is more than 75% of the peak / non peak limit.</td><td>No charges.</td></tr><tr><td>If the average utilization during the quarter is less than 75% of the peak / non peak limit</td><td>1.00% p.a. on entire unutilized portion on a quarterly basis.</td></tr></table> <p>Levy of commitment charges is not applicable in the following cases:</p>	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.
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Sl. No	Nature of Charge	Quantum of Penal Charge							
		<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.							
21	TOD in SB/CA	2.00% p.a. for the period beyond 15 days till the date of regularization irrespective of TOD amount. 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.							
22	Penal Charges on Fund Based & Non-Fund Based Facilities for Externally Unrated borrowers (Applicable w.e.f 15.01.2026)	<table><tr><th>For exposures above Rs 50 Crores up to Rs 100 Crores</th><th>For exposures above Rs 100 Crores</th></tr><tr><td>0.50% p.a</td><td>1% p.a</td></tr></table> Penal Charges shall be applicable on the outstanding fund-based facility.	For exposures above Rs 50 Crores up to Rs 100 Crores	For exposures above Rs 100 Crores	0.50% p.a	1% p.a	<table><tr><td>For exposures above Rs. 50 Crores</td><td>0.10% p.a</td></tr></table> Additional Commission shall be applicable on non-fund based liability arising from fresh LC/BG issued.	For exposures above Rs. 50 Crores	0.10% p.a
For exposures above Rs 50 Crores up to Rs 100 Crores	For exposures above Rs 100 Crores								
0.50% p.a	1% p.a								
For exposures above Rs. 50 Crores	0.10% p.a								
