



Penal Charges for various kinds of non-compliances of terms & conditions of sanction of credit facilities (Applicable w.e.f 01.04.2024)

Sr. No	Nature of Non-compliance	Quantum of Penal Charge	
		Sanction amount	Penal charges
1	Delayed payment of dues including Principal, Interest, Service charges, Bills overdue etc., in the case of Priority Sector Loans.	Up to Rs. 25,000/-	NIL
		Above Rs. 25,000/- & up to Rs. 2 lakh.	1% p.a. on the amount of default.
		Above Rs. 2 lakh	2% p.a. on the amount of default
		In the case of eligible priority sector loans to Self Help Groups (SHGs)/ Joint Liability Groups (JLGs), this limit of Rs. 25000/- will be applicable per member and not to the group as a whole.	
2	Delayed payment of dues including Principal, interest, service charges, bills overdue etc. in the cases of other than priority Sector Loans.	Up to Rs. 10,000/-	NIL
		Above Rs. 10,000/-	2% p.a. on the amount of default.
		2% p.a. for period extended beyond the due date of regularization of TOD/ Excess/ Ad hoc limit sanctioned.	
3	Delayed / non- submission of Stock & Book Debts statement.	2% p.a. on the outstanding balance of fund based working capital facility of the borrower for the default period.	

Sr. No	Nature of Non-compliance	Quantum of Penal Charge	
5	Delayed /non- submission of QIS.	<ul style="list-style-type: none"> 1% p.a. on outstanding balance of fund-based working capital for delayed/ non-submission in respect of existing accounts as well as fresh sanctions for the default period. 0.25% p.a. on outstanding balance of non-fund based facility subject to a cap of Rs. 1 lakh per month for borrowers who enjoy exclusive NFB limits. Where the borrower is enjoying both FB & NFB limits, penal charge shall be 1% p.a. on outstanding balance of fund based working capital and 0.25% p.a. (Cap of Rs. 1 lakh on NFB limit) on outstanding balance of non-fund based facility for the default period. 	
6	Delay in submission of Audited Financial Statements.	2% p.a. on the outstanding balance of credit facilities of the borrower for the default period (except exempted category).	
7	Penal charges for non- submission of all the required financial papers/ other documents/ any relevant information before one month review due date of the borrower's account/s.	Loan/ Limit(FB+NFB)	Amount of charges
		Not exceeding Rs. 10 lakhs	Nil
		Above Rs. 10 lakhs but not exceeding Rs. 7.50 crore.	1% p.a. on the outstanding balance of credit facilities of borrower up to the due date of renewal and thereafter 1.50% p.a. till the date of submission.
		Above Rs. 7.50 crore.	1% p.a. on the outstanding balance of credit facilities of borrower up to the due date of renewal and thereafter 2% p.a. till the date of submission.



Sr. No	Nature of Non-compliance	Quantum of Penal Charge
8	Non-compliance in carrying out of External Credit Rating of our eligible exposure.	2% p.a. on the outstanding balance of credit facilities of borrower for the default period.
9	Breach in Financial Covenants as per sanction terms & condition.	
10	Non-Submission of documents as per sanction terms.	
11	Non-Closure of Current Accounts as per sanction terms.	
12	Non-compliance in security perfection as per sanction terms.	
13	Delay in Creation of Mortgage / Extension of Mortgage (except permitted in sanction).	
14	Any other breaches/ non-compliance in material terms of sanction	

Note:

- Penal charges will be applied on a monthly basis and calculated for the actual period of non-compliance.
- Penal charges are to be applied solely to overdue payments (instalments and/or interest/ service charges etc.), for the period they remain unpaid beyond their due date. Penal charges will be calculated based on the actual number of days of default. However, penal charges will be debited on a monthly basis.
- GST on penal charges will be applicable as per the extant guidelines of the Bank.
- Penal charges shall not exceed 2% of the outstanding balance/amount of default (as the case may be) of credit facilities of borrower, irrespective of the number of non-compliance instances.

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