NOTICE

To All Borrowers

As per RBI Circular RBI/2023-24/53 DoR.MCS.REC.28 /01.01.001/ 2023-24 dated 18.08.2023, there is change in system of charging penal Interest for financial Defaults w.e.f 1st April 2024. Instead of Penal interest, Penal charges will be charged for defaults. Penal charges will attract GST as applicable. Penal Charges will not be capitalized i.e., no further interest will be levied on such charges.

For CC/OD Accounts -

➤ After monthly interest calculation on 25th, day of the month Penal Charges +GST will be calculated and debited to account, within available balance. Otherwise lien will be created and same charges will be recovered from credits in the account there after.

For Term loan -

➤ Only Penal charges and GST thereon calculated at the time of interest calculation of the account and will be recovered from operative account (if EMI of the term loan are debited to Operative account) having balance.

➤ Charges will be recovered if operative account is having sufficient balance including EMI and fee charges. Hence ensure your operative account is having sufficient balance always.

➤ In case where EMI is paid by cash or by ECS, borrowers have to inquire about pending charges if any to your home branch and accordingly EMI+ Charges will be paid.

➤ These charges are not reflected in the loan account but will be reflected in the statement of loan account at the end of main statement.

Along with the above defaults, Bank is charging Penal charges for the non-compliance of the terms and conditions if any, (General as well as additional conditions of the sanction letter), on monthly basis, which will be temporarily stopped from 1st April 2024 till changes in system done. However same will be charged to the respective loan account after the implementation of change in the system.

Ensure the compliance of pending terms and conditions on priority basis to avoid any Penal charges.

All borrowers are hereby requested to note the above changes and kindly co-operate. For More details contact home branch.

S/d-
Managing Director   22 March 2024