

The Reserve Bank of India has, Vide circular no. DoR .MCS.REC.28/01.01.001/2023-24 (RBI/2023-24/53) Dated August 18, 2023 on "**Fair Lending Practice – Penal Charges in Loan Accounts**", issued instructions ("**RBI Instructions**") regarding quantum and levy of penal charges on loan accounts. The RBI instructions mandate penalty to be treated as 'Penal Charges' and not be levied as 'Penal Interest'.

We wish to inform you that the penal interest (if and when applicable) will be treated as Penal Charges with effect from 01-05-2024 for your loan account. The Penal Charges with effect from 01-05-2024 are set out in Schedule I.

Schedule I

Existing Default/ Penal Interest	Revised Penal Charges
As per the Existing Sanction Letter / Loan Agreement	2% p.a. above current application interest rate (aggregate not exceeding 24% p.a.) There Shall be no further interest charged on the Penal Charges

Please Note, The said Penal Charges will be subject to GST as per applicable laws on Goods and Service Tax in India, and GST will be charged separately.