

Penal Charges for Non-Compliances of Material Terms & Conditions applicable for NaBFID

In compliance with RBI's communication regarding **Fair Lending Practice - Penal Charges in Loan Accounts** (RBI/2023-24/53 DoR.MCS.REC.28/01.01.001/2023-24 dated August 18, 2023) NaBFID has formulated following schedule for penal charges for Non-Compliances of Material Terms & Conditions.

This will come into effect on immediate basis and shall be applicable for all fresh sanctions. However, if any changes are required for the existing borrower's terms and conditions the same shall be given effect before June 30, 2024.

| | Item | NaBFID Rate |
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| 1 | Breach of stipulated financial covenants | 0.50% p.a. |
| 2 | Delayed completion of Mortgage / Security perfection | 0.25% p.a. |
| 3 | Occurrence of non-financial EOD (event of default) | 0.25% p.a. |
| 4 | Non-compliance with other Material Terms & Conditions of sanction as stipulated (viz., credit rating, Major Maintenance Reserve, DSRA, any other reserve stipulated) & non-adherence to key undertakings/commitments | 0.25% p.a. |
| 5 | Charges in case of delay in Repayment of Instalment / Interest / Commissions / other charges due Funded amount fallen due on account of devolvement, if any | 2.00% p.a. (increase to 5.00% p.a. after 60 days) applicable on amount due |
| 6 | Delayed submission of documents / monitoring reports / financials / other reports as stipulated in the Sanction | Rs. 1,00,000/- per month of delay applicable for: Annual report/ Financial/ Covenant compliance reports/ Security coverage reports Rs. 50,000/- per month of delay applicable for: Half yearly financial Rs. 25,000/- per month of delay applicable for: Quarterly financial |



| | Item | NaBFID Rate |
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| | | Rs. 25,000/- per month of delay for: any other documents |
| 7 | Pre-payment charges of Term Loans | 2.00% on amount pre-paid |
| 8 | Cross Default | 1.00% p.a. on the entire outstanding for the period of non-adherence. |

Cumulative of all charges indicated herein shall not exceed 4.00% p.a of outstanding amount, if they occur simultaneously (on the same day, fallen due).

Applicable taxes shall be levied over and above the Charges.

For further clarification, please contact NaBFID office.

