

Dear Customer,

The Reserve Bank of India through 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 mandates penalty to be treated as "Penal Charges" and not as "Penal Interest".

Therefore, please note that with regards to the loan facilities availed by you from IKFL, effective from the date of renewal of your loan or June 30, 2024 whichever is earlier, "Penal Interest" as mentioned in your existing facility documents, application form, loan agreement, Most Important Terms and Conditions, etc. shall be discontinued and Penal Charges, including applicable GST thereon (more particularly described in **Schedule-I**) shall be applicable.

**Schedule-I**

<b>Existing Penal Interest/ Late Payment Interest</b>	<b>Revised Penal Charges</b>
As per the existing application form/ Most Important terms & Conditions/Loan Agreement	6% p.a above current applicable interest rate 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 & Service Tax in India & GST will be charged separately.

This communication shall form an integral part of loan documents and be read in conjunction with the same. Save and except as aforesaid, all other terms and conditions of facility documents shall remain unchanged.

In case of any query, please connect us at our customer care number 18002035972 or you can also send us an Email at [care@kisanfinance.com](mailto:care@kisanfinance.com)

Yours Faithfully

IFFCO KISAN FINANCE LTD.