

Notice:

Loan System for Delivery of Bank Credit

As per the RBI Guidelines on Loan System for Delivery of Bank Credit, a minimum level of 'loan component' of 40 percent shall be effective from April 1, 2019 in respect of borrowers having aggregate fund based working capital limit of ₹1500 million and above from the banking system. Accordingly, for such borrowers, the outstanding 'loan component' (Working Capital Loan) must be equal to at least 40 percent of the sanctioned fund based working capital limit, including ad hoc limits and TODs. Hence, for such borrowers, drawings up to 40 percent of the total fund based working capital limits shall only be allowed from the 'loan component'. Drawings in excess of the minimum 'loan component' threshold may be allowed in the form of cash credit facility.

The guidelines cover both existing as well as new customers of Bank of Baroda. The 40 percent loan component will be revised to 60 percent, with effect from July 1, 2019.