

/RFC/P&G/ 1324/

RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)

No. RFC/23FR/HO/Policy- 39/310

Dated : 04.06.2010
9

CIRCULAR
(FR No. 618)

**Sub : (1) Processing fee / charges for various services / accommodations
being allowed by the Corporation to the loanee in Follow-up
& Recovery matters**
(2) Rate of Interest in case of Reschedulement by extension in LDR

As per P&G (Chapter LA-2 point no. 4.2 to 4.3) a fixed amount of processing charges is collected from the loanee at the time of sanction of loan to cover legal fee for drafting and finalization of loan documents and for completion of necessary legal formalities, cost of conducting valuation of the assets mortgaged with the Corporation and cost of regular Inspection of the industrial unit by the Officers of the Corporation.

Sometimes, in some cases, the loanee requires additional accommodations / services in FR matters like Reschedulement, permission for change in constitution, permission for merger / amalgamation, permission for public issue, permission for creation of charge on assets etc.

Presently we are charging processing fee / charges (non-refundable) in the cases of change in Management (circular no. FR-324 dated 06.01.05), Mutual sale (FR-474/27.09.07) and Reschedulment (in FAAS / CRE cases) (FR-573/16.06.09).

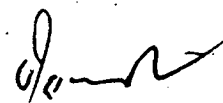
Since the Corporation is also required to extend other accommodations / reliefs and the decision making process requires detailed analysis / re-appraisal of the project and is also required to incur expenditure for recovery / visits / Inspections for the extended period of repayment; a proposal for charging additional processing fee / charges for the various accommodations / reliefs was placed before the Board in its meeting held on 31.05.10 in which it has been decided to charge additional processing fee / charges for the various other accommodations / reliefs also being allowed in FR matters as follows :-

S. No.	Particulars	Processing fee / charges
1	<u>Reschedulement :</u> a) Within Original LDR b) By extension in LDR	@ 0.10% of the existing outstanding. @ 0.10% of the existing outstanding in case LDR is extended by one year. Likewise for every further year or part thereof additional 0.10% will be charged.
2	Permission for change in Constitution of the concern i.e. from Sole-proprietorship to Partnership, from Partnership to Pvt. Ltd. or Limited, from Pvt. Limited to Limited Company i.e. change in the form.	Rs. 5000/-
3	Permission for Public Issue	Rs. 25,000/-

4	Permission for merger / amalgamation	Rs. 25,000/-
5	Sale of units u/s 29 : a) From every bidder b) From purchaser on cash-down basis sale c) From the purchasers in deferred payment sale cases	Rs. 1000/- on account of bid application form. Rs. 5000/- @ 1% of the deferred payment sale price.
6	Permission for creation of 11nd Charge / pari-passu charge	Rs. 2000/-
7	Request for waiver of penal interest in the cases which are not eligible under different OTS Schemes but waiver is considered on the basis of cash accruals and repayments made – as per audited Balance Sheets and P&L Accounts – as per P&G 2.40 (FR-2):	@ 0.50% of the quantum of the penal interest being waived off.

Further, it has also been decided by the Board that in case of reschedulement by extension in LDR then for the period beyond original LDR, the Corporation will charge interest 1% higher than the documented rate or prevailing rate at the time of expiry of LDR (whichever is higher).

All concerned are advised to take a note of above and act accordingly.


(G.S. SANDHU)

CHAIRMAN & MANAGING DIRECTOR

Copy to:

1. All BOs / SOs
2. DGM(A&I), (WZ), Ajmer / Jodhpur.
3. Standard circulation at HO.