

/RFC/P&G/1342

RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)

No. RFC/23FR/HO/Policy-39/ 604

Dated : 18.08.2010

CIRCULAR
(FR No. 633)

**Reg : Rate of Interest and Processing Charges
in case of Reschedulement**

Clause 2.39 of Chapter FR-2 of P&G deals with "Rate of Interest" in case of "Reschedulement". Vide P&G Circular no.1324 (FR-618) dated 09.06.2010 and Circular No. FR-573 dated 16.06.09 certain amendments were made.

In order to have comprehensive details of the provisions / amendments made vide aforesaid circulars, Clause 2.39 (Chapter FR-2 of P&G) regarding rate of interest in case of reschedulement is hereby amended as follows :-

"2.39 RATE OF INTEREST:

Interest shall be charged as under :-

(I) FOR THE PERIOD UPTO ORIGINAL LDR :

a) *Reschedulement of Loans under FAAS & Commercial and Residential Complex Schemes :*

For reschedulement an increase of 2% over and above the existing documented rate of interest will be charged in such cases but in no case rate of interest after reschedulement shall be less than 14.50% and will not exceed the prevailing rate of interest of the Corporation under FAAS and CRE Sector.

b) *Reschedulement in other cases :*

Documented interest shall be charged upto original LDR.

(II) FOR THE PERIOD AFTER EXPIRY OF ORIGINAL LDR :

For the period beyond original LDR, the Corporation will charge interest 1% higher than the documented rate or prevailing rate (whichever is higher) at the time of expiry of LDR."

As regards, processing charges for Reschedulement, the same shall continue to be as per Circular no. P&G 1324 dated 09.06.2010 for which new clause 2.39(b) is added in P&G Chapter No. FR-2 as under :-

"2.39(b) Processing charges :

The Board in its decision dated 31.05.2010 decided to levy processing charges {Circular no. FR-618 (P&G – 1324) dated 09.06.2010} in case of reschedulement in lieu of extra services rendered by the Corporation as under :-

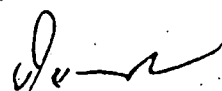
a)	Reschedulement within original LDR	: @ 0.10%* of the existing outstanding
b)	By extension in LDR	: @ 0.10%* of the existing outstanding in case LDR is extended by one year. Likewise, for every further year or part thereof additional 0.10%* will be charged.
* Note : Government levies such as Service Tax & Education Cess , applicable from time to time shall also be charged."		

It is also for general consumption that reschedulement in normal course should be allowed maximum two times in live accounts. For more than two, the approval of the Chairman & Managing Director will be necessary.

(Note : In back drop of circular no. FR-604 dated 10.05.2010 reschedulement in FAAS and CRE Sector loans is not allowed.)

This supercedes circular no. FR-579 dated 16.06.09.

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


(G.S. SANDHU)
CHAIRMAN & MANAGING DIRECTOR

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