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RAJASTHAN FINANCIAL CORPORATION
(FR SECTION)

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302001.**

Ref.No.23FR/HO/P-152877

Dated :06.01.2005

CIRCULAR
(FR/ 324)

Sub: Change in Management.

The phrase ' Change in Management ' has been synonymously used and dealt under change in constitution. Wherever one or more Directors on the Board of a Company are changed with the intention of change in management, the existing provision is dealt under 6.8(b) of the FR/PG. Proviso 12-A-8 of FR/PG also has a mention about change in management on terms of pre-payment premium on account of change in Management.

The change in management has been a subject of debate at times and therefore, the matter was taken to the Board. The Board in its meeting dated 20.12.2004 has further decided the following guidelines in addition to the existing one. The changes are as under :-

- (1) The present policy of change in management may continue except where not due principal sum becomes recoverable. The not due principal is now not to be recovered in such type of cases and amount now shall be recoverable to the extent of amount overdue only. Further, where overdues are more than 25% of outstanding, the incoming management will be required to pay only 25% of the outstanding.
- (2) An amount equivalent to 1% of the term loan outstanding after deducting the amount deposited by the incoming management would be charged as processing fee except cases under Good Borrower Scheme.

It is enjoined upon all concerned to take note of the new guidelines.


(Sanjay Dixit)
Chairman & Managing Director

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