

**RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)**

No. RFC/23FR/HO/Policy-39/ 621

Dated : 12.06.09

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**CIRCULAR
(FR No. 573)**

**Reg : Reschedulement of loans under FAAS and
Commercial and Residential Complexes Scheme**

In the face of the economic down turn, due to spill over effects of the global economic crisis, there are likely instances of even viable units facing liquidity crunch. SIDBI has also issued guidelines for restructuring of advances. It has, therefore, been decided to allow reschedulement in deserving cases to whom financial assistance has been provided under FAAS / Commercial & Residential Complexes Scheme with the following stipulations:-

1. Rate of interest :

- a) For the period upto original LDR – 2% over and above the existing rate of interest will be charged in such cases but in any case rate of interest after reschedulement shall not be less than 14.50% and will not exceed the current rate of interest i.e. 17%.
- b) For the period after expiry of original LDR – For the period beyond original LDR interest at the documented rate or the prevailing rate whichever is higher shall be charged. Documented rate of interest, here; would mean; the rate of interest being modified for the period upto original LDR as stated above.

2. Accounting Effect of Reschedulement:

As per point no. 2.45 of Chapter no. FR-2 of P&G.

3. Processing Fee / Charges:

In the cases where rate of interest is not being revised upwardly, processing fee @ 0.10% of the existing outstanding loan amount will be charged.

P.T.O.

4. Reschedulement will be considered only of principal outstanding. The interest overdue, if any, will have to be cleared before communication of decision for reschedulement and interest to fall due will have to be paid regularly on due dates.
5. PDCs for the changed EMI will be submitted by the party as per reschedulement alongwith exchange of communication / confirmation / acceptance failing which the reschedulement will not be effective.
6. In case the party fails to submit revised PDCs alongwith confirmation / acceptance within 15 days of the communication of decision for reschedulement then it shall be presumed that the reschedulement is not acceptable to the borrower and RFC will take necessary action for recovery accordingly.
7. In case the party does not adhere to the revised schedule, the Corporation shall be at liberty to revert to the original schedule and in that case the loanee concern shall also be liable to pay default rate of interest on the amount of overdue as per original schedule of repayment as per loan agreement.
8. Other Standard terms & conditions of reschedulement as contained in P&G will be applicable.
9. Competent authority to allow reschedulement will be the CMD.

Accordingly, para 7 of Circular no. FR-550 dated 16.02.09, barring reschedulement of FAAS/CRE/GB Schemes etc., stands deleted.

All concerned are advised to identify the deserving cases / cases facing genuine difficulties and obtain requests for reschedulement and process the same as per norms / procedure prescribed in P&G and send the proposals to HO latest by 20.06.09 so as to enable HO to further process and take a decision latest by 30.06.09.

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(ATUL KUMAR GARG)
CHAIRMAN & MANAGING DIRECTOR

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