

<p><b>कार्पोरेशन बैंक</b> ( सार्वजनिक क्षेत्र का अग्रणी बैंक ) प्रधान कार्यालय, डा पे सं. 88 मंगलूर - 575 001</p>	 e-CIRCULAR	<p><b>Corporation Bank</b> ( A Premier Public Sector Bank ) Head Office, PB No.88, Mangalore – 575 001</p>
<p><b>Credit Division</b> [Credit Policy &amp; Planning Section] Email : CPMS@corpbank.co.in</p>		
HO Circular No. 112/2013	Index No. 11.00/9/2013	18-February-2013

**TO ALL THE BRANCHES / OFFICES**

**Subject : LEVY OF PROCESSING CHARGES**

**HIGHLIGHTS**

**Branches to adhere to the guidelines on levy of processing charges**

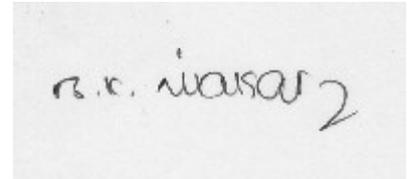
1. The Central Statutory Auditors, during the course of quarterly audit of the Bank have observed that certain Branches have not collected the Processing Fee for the review/renewal of the credit limits for the period from the due date of review/ renewal of credit limits and actual date of review/ renewal and some other branches have belatedly collected the applicable processing charges for the review/renewal, which has resulted in seepage of income to the Bank.
2. In this connection, we invite the attention of branches to HO Circular No. 226/2011 dated 28.03.2011 on levying of Processing Charges. For ready reference, we reiterate the guidelines as under:
  - The processing charges for review/renewal shall be recovered **invariably on the due date of review/ renewal itself, for the next one year**, irrespective of whether the review/ renewal is carried out or not. Such processing charges is to be collected at the rate prevailing on the due date of review/ renewal. However, the concessions, if any, extended during the previous review/ renewal, the extent of such concessions is to be maintained in respect of the said borrower. On the other hand, if concessive lumpsum processing charges was permitted during the previous review/ renewal, same concessive lumpsum processing charges is to be collected in respect of such specific borrower.

In case, there is a change in the rate of concession, whether increase or decrease on the actual date of review/ renewal, such increase or decrease is to be given effect for the next one year from the date of review/ renewal.

- At the time of collecting the processing charges prior to the actual review/renewal, it shall be informed to the borrower that mere collection of processing charges on the due date shall not be construed as regular review/ renewal and all the applicable formalities such as submission of complete set of documents/papers for review/renewal shall have to be ensured for completing the process at the earliest.

- In respect of delayed review/ renewal, the processing charges shall be collected from the due date till the actual date of review/ renewal, on a pro-rata basis, as per the prevailing rate on the due date of review/ renewal. The days in excess of completed months shall be treated as a full month and charges collected accordingly. In such cases, the next review / renewal date shall be exactly one year later from the date of current extended date of review/renewal.
- In the case of enhancement in the credit limits before the due date of review/renewal then proportionate processing charges is to be collected for the enhanced portion and for the regular limits for the extended period of next due date of review/renewal on account of the enhancement in the limits on a pro rata basis per completed month and part thereof.
- All branches are advised to collect service tax separately apart from collecting the processing charges / upfront fee at the stipulated / applicable rates.

3. All our Branches and other Offices are advised to note the above for strict adherence.



[ B.K.DIVAKARA ]  
GENERAL MANAGER

Note : Hindi version of the Circular follows.