RFC/P&G/1152/ RFC/LA-442 /

RAJASTHAN FINANCIAL CORPORATION (LOANS SECTION)

Udyog Bhawan, Tilak Marg, JAIPUR-302 005.

Dated: 19.06.2006

Ref. No.RFC/LA-13(11)416

P&G CIRCULAR

Reg : Revision in Rebate for timely payment & effective interest rate structure of the Corporation.

The detailed guidelines for charging different rate of interest for SSI & MSI / Non SSI Sector and in TUF cases were circulated vide P&G circular No. 1057 Dated: 27.05.2004 and P&G Circular No. 1077 Dated: 24.09.2004, respectively. Guidelines for charging similar rate of interest for SSI & MSI was issued vide P&G Circular No. 1114 Dated: 27.06.2005, P&G Circular No. 1116 Dated: 05.07.2005 was issued for enhancement in rebate for timely payment & revision of effective interest rate structure of the Corporation.

Latest guidelines for revision in rebate for timely payment and effective rate of interest structure of the Corporation was issued vide P&G Circular No. 1148 Dated: 08.05.2006.

Looking to the present market scenario with regard to increase in interest rate by the banks in the real estate

sector including construction of commercial & residential Complexes, the PC&CC in its Meeting held on 15.06.2006 reviewed and has decided to revise the rebate for timely payment and effective rate of interest in the loan cases sanctioned on or after 15.06.2006 in the following two schemes of the Corporation:-

	Scheme	Existing	Proposed	Effective rate of interest
				(proposed)
A)	Scheme for Financing for Builders/ Commercial /Residential /Complexes/ Multiplexes, Hotels, (tourism related activities), Hospitals for purchase of land & building.	1.75%	1.50%	11.25%
В)	Scheme for construction of Commercial & Residential Complexes.	2.00%	1.75%	11.00%

All concerned are advised to take note of the above and ensure compliance.

Sd/(K. S. Rathore)
Chairman & Managing Director