

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Ref No. RFC/LA-13(11)/289

Dated : 28.05.2008

: P&G Circular :
(LA No. 484)

Reg: Revision in effective Interest
rate for Hotel Industry.

As per P&G Circular No. 1195 dated 13.09.2007 the documented rate of interest, timely payment rebate and effective interest rate applicable for hotel & tourism projects is @14.50%, @ 1.00% and @13.50%, per annum respectively.

On the basis of feed back received from field offices for reducing the effective interest rate for hotel projects, the matter was placed before the Board of Directors in its 496th meeting held on 22.05.2008, wherein it was decided that to boost up the business for hotel projects, the Corporation may increase the timely payment rebate from the existing 1% to 2% keeping the documented rate of interest at the existing level i.e. 14.50% ; thus the effective rate of interest for hotel projects will come down from 13.50% to 12.50% p.a. with immediate effect for Hotel projects loan only, with approved plans etc.

In Hotel Projects repayment period be kept as 5 years excluding moratorium period which be granted in addition to 5 years depending upon the implementation period with immediate effect.

It has also been decided that while sanctioning loan only documented rate of interest as applicable shall be specified in the clause/condition of interest in the loan proposal / sanction letter. For timely payment rebate the following condition shall be stipulated :

"The company / concern shall be eligible for timely payment rebate as per the prevailing policy of the Corporation from time to time."

All concerned are advised to make a note of above and ensure compliance of the same.

Sd/-
(PAWAN ARORA)
Executive Director

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