RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan,
Tilak Marg,
JAIPUR

Ref.No.RFC/F.11(149)| 2 o

Dated:- April 7,2005

CIRCULAR

Reg:- Change in Interest Debit Dates & Withdrawal of Moratorium Period for debiting of interest

The Board of Directors in their meeting held on 18th March, 2005 have decided to change the Quarterly Interest Debit Dates in all loan accounts from existing dates of 1st April, 1st July, 1st October and 1st January to 1st March, 1st June, 1st September and 1st December.

Accordingly, Interest Debit Dates in all the loan accounts as well as to be opened in future shall be 1st March, 1st June, 1st September and 1st December.

The Board of Directors have also decided to debit interest for first time in the loan account on the interest debit date falling just after the first disbursement made by the Corporation. This change should be noted and taken care of at the time of execution of the loan documents and cases to be sanctioned on or after 01.04.2005.

In view of the above change in the Interest Debit Dates, there may be circumstances in which the loanee may not be in a position to deposit the amount of interest falling due on 1st June, 2005 and may deposit the same within the grace period of the old interest debit date i.e. by 7th of July, 2005. In such circumstances, if the interest amount is deposited by that date and there are no overdues in the account, then the benefit of timely rebate shall be extended to such borrowers, but efforts should be made to recover the amount of interest due on 1st June at the earliest possible. However, this would apply for the interest falling due on 1st June, 2005 only.

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In loan accounts where repayment schedule is drawn on Equated Quarterly Installment basis, the change in interest debit dates would result in debiting of installment as per the repayment schedule whereas this amount of principal has to be debited to the overdue principal segment of loan account after deducting the interest amount from the installment amount.

In order to remove this anomaly, it has been decided to change the due date in the repayment schedule in such a way so that the due dates would be as per the revised Interest Debit Dates i.e. 1st March, 1st June, 1st September and 1st December. The borrowers may be requested to execute the modification deed for change of Interest Debit Dates in the repayment schedule.

The Loans Section has to ensure that the terms and conditions of the sanction letter are suitably modified to implement the above decisions.

The Law Section has also to ensure that all the cases sanctioned after 1st April, 2005 contain the above decisions.

All the Branch Managers are advised to bring these changes to the notice of the entrepreneurs as well as to Industrial Association(s) operating in the area and are advised to make a note of above and ensure compliance.

(Kamal Singh Rathore)
Chairman & Managing Director

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