



CIRCULAR No – 905

Sub: Rebate for prompt payment of interest and principal installments.

The Board in its meeting held on 20.02.2010 ratified the decision of the Executive Committee meeting held on 18.01.2010 on rationalisation of the interest rates, including extending a rebate of 0.50% for repayment received under ECS and issue of Circular No ED(F)/893/2009- dated 22.01.2010 to this effect. The matter was further discussed in the Executive Committee meetings held on 26.03.2010, 26.04.2010 and 26.05.2010. Based on the decision of the Executive Committee in these meetings, the following procedure is to be adopted for extending 0.50% rebate for prompt payment.

01. The clients desirous of making payments through ECS may contact their respective Bankers and make the payment to the Corporation through Credit Clearing System.
02. In places where the ECS is not available, the clients may be permitted to make payments through RTGS/NEFT/DD/Cash/Local Cheques, which should have been credited to the account of KSFCL on or before 10<sup>th</sup> day of the particular month, to become eligible for 0.50% interest concession. Repayment through outstation cheques will not be eligible for rebate.
03. The present system of giving grace period of three days for prompt payment has been discontinued for all loans, including the existing loans.
04. If the due date for payment happens to be a holiday, the immediate next working day shall be considered as due date and for reckoning the prompt payment.

The demand notice will carry a note that *the rebate will be available for prompt payment made on or before due date, without any grace period.*

This shall be made effective for the demands raised from 10.06.2010 onwards. The contents of this Circular shall be brought to the notice of all the concerned in your Branch Office/Department.

Sd/-

CHAIRMAN & MANAGING DIRECTOR

To:

All Departmental Heads/Principal Officers

All Branch / Zonal Managers/IA Cells

General Managers – at Head Office

Library

CC to:

Executive Director (F) }

Executive Director (O) } for information

EA to the MD