

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur

Ref. No.RFC/FR-/OP/05/FR-19/ 1050

Date : 25.02.2022

**CIRCULAR
(F&R -790)****Re : Policy with regard to stop debiting interest from the date of taking over possession of the units.**

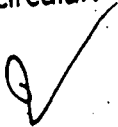
Attention is invited towards Circular No. ARRC-163 dated 15.12.2008 (PG-1253) vide which clause-7(c) was added in Chapter ARRC-1 in the Procedure & Guidelines regarding policy with regard to stop debiting interest from the date of taking over possession of the unit as under:-

"In the event of take over of possession of an industrial unit by RFC/RIICO/any other Participating Financial Institutions (PFIs) / any other Govt. Deptt. Causing physical possession resulting into closure of the unit and possession not remaining in the hands of the borrower then interest rate will be fed as "00" from the date of take over of possession of the industrial unit.

However, this provision shall not be applicable in case of financial assistance provided by the Corporation under its Scheme of Financing commercial / residential projects as well as projects financed under FAAS in which possession of industrial units is not taken over. "

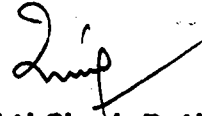
The matter was placed before the Board. After discussions, the Board of Directors in its meeting held on 28.01.2022 has decided not to charge interest from the date of taking over possession of the unit in CRE & FAAS cases also on the similar lines as being done in the case of industrial units and if the unit is handed over back to the original borrower then simple interest for the possession period to be charged under all the loan schemes including CRE & FAAS. The revised guidelines shall also be applicable in existing cases of CRE & FAAS under possession with the Corporation from the date of issue of circular.

Contd....



The benefit of simple interest for the possession period may also be extended to the existing units of CRE/ FAAS if the original borrower comes forward for taking back possession of the unit after depositing 25% of the outstanding as per norms and submits firm proposal for repayment of remaining outstanding. In case of default in future, the Corporation will have the right to reverse the benefits so extended.

All concerned are advised to take a note of above and act accordingly.



(Shakti Singh Rathore)
Managing Director

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