

Amcmsg-11
27/6

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302005
(FR SECTION)

Ref.No. RFC/23FR/HO/Policy-118/ 298

Dated: 19.06.2017
27

CIRCULAR
(FR-75.3..)

Reg:- Insurance of assets of assisted units.

Attention is invited to P&G circular 1289/2009 (FR-584) dated 03.11.2009 along with which revised Chapter No. FR-A of P&G on insurance of assets was circulated and vide circular No. FR-672 dated 03.11.2011 and FR 696 dated 06.09.2012, it was reiterated that branches may ensure strict compliance of the same.

As per the revised policy assets of assisted units are kept insured throughout the currency of the loan as per terms & conditions of sanction/loan agreement and branch office has to watch and ensure that assets of the assisted unit are throughout kept insured and the insurance policies are timely renewed during the currency of the loan.

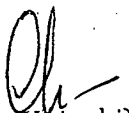
Procedure for renewal of insurance policy in the case where the insurance policy is not renewed by the loanee concern has also been laid down. As per this procedure policies are to be renewed by the branch office of the Corporation from the same Insurance Company, to which previous insurance policy belongs and debit the amount of premium and also liquidated damages equal to the premium amount to the loan account of the concern.

It has been observed that provisions contained in P&G (Chapter FR-8) are not being strictly followed by the branches.

SIDBI in its inspection report has suggested that Corporation to introduce a more effective system for monitoring the availability of adequate insurance for all assets.

It is again reiterated that all concerned may ensure strict compliance of the provisions regarding insurance of assets of assisted units and their renewal as contained in P&G (Chapter FR-8).

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


(Anoop Khinchi)
Managing Director

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