

**Rajasthan State Industrial Development & Investment Corporation Ltd.
Udyog-Bhawan, Tilak-Marg, Jaipur-302005**

No: IPI/P-6/P&D/2007/Pt-III/2885
Dated: 08. Nov., 2021

CIRCULAR

Sub: Guidelines for issuing NOC to the financial institutions in respect of switching over of loan by way of mortgage of lease agreement for availing financial assistance or collateral security by the allottee of the plot.

It has been observed that during the implementation of the project, the allottee require funds and as a practice, switch over loan from one financial institution to another financial institution. The subsequent financial institution applies for NOC to unit office for switching over of the loan. When unit office grant NOC to such subsequent financial institution, then the previous financial institution refuse to hand over lease agreement to subsequent financial institution on the ground of condition of NOC issued to previous financial institution that the lease agreement is to be returned to the unit office. This causes delay in availing financial assistance to the allottee from subsequent financial institutions.

It has also been observed that in the process of issuing NOC to the subsequent financial institutions at the time of switching over of loan, unit offices as a practice, process the matter for site inspection of the plot before issuing NOC to the subsequent financial institution. This practice causes unnecessary delay in availing financial assistance from the subsequent financial institutions and also adversely affect the cordial relations with the allottee.

The above issue was placed before the IDC vide item (8) in its meeting held on 22.10.2021 with the object to streamline the process of issuing NOC to the subsequent financial institution for switching over of loan by way of mortgage of lease agreement for availing financial assistance or collateral security by the allottee/lessee of the plot. The Committee has approved the guidelines to deal such cases as under:

1. No site report of the plot will be taken on receipt of such request for NOC.
2. NOC will be withheld if there is default in payment of overdue installment(s) of land premium or there is any dispute regarding title of the plot or inter se dispute among the partners or directors/ shareholders of the company or stay by the court.

Provided that in case of default in payment of overdue installment (s) of land premium only, NOC will be issued on payment of overdue installment (s) along with interest as per rules.

3. At the time of issuing NOC to the subsequent financial institution to switch over of loan, a copy of such NOC will also be endorsed by Unit Office to the previous financial institution to the effect that the Unit office has no objection if the lease agreement mortgaged with previous financial institution is released and sent to the subsequent financial institution directly under intimation to the Unit office.


(Rukmani Riar Sinag)
Executive Director

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8. DGM (IT)- for uploading on website.
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11. GM (P&D)/ Addl. GM(P&D)
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Copy also to:

- (i) Sr.PS to Chairman, RIICO
- (ii) Sr.PS to MD, RIICO
- (iii) PS to Executive Director


GM (P&D)