



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./
Ref. No. KSFC/H.O./

ED -II/DGM[C]/ C-27 /2020-21

ದಿನಾಂಕ :

Date.....

22-04-2020.

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INTER OFFICE NOTE

Subject : Adjustment of Principal Recovery.
Reference : Circular No.1010 dated 01-04-2020.

In line with RBI notification, the Corporation vide Circular dated 01.04.2020, has extended 3 months time for payment of dues falling in the month of April, May and June 2020. As per this, the interest demand of 10.04.2020 is being raised along with July demand i.e 10.07.2020 and similarly, May demand along with August and June demand along with Sept demands. The Principal demands falling during April, May and June will be raised last. However, some of the borrowers have been repaying interest and principal as per original repayment schedule. For these Borrowers, we may have to pass JEs manually for adjustment of principal amount during April, May and June 2020 before interest computation done for subsequent month.

In view of the above, where promoters have paid principal amount as per original repayment schedule, the following working guidelines are put in place for appropriation of Principal Recovery :-

1. In respect of loans sanctioned under Interest Subsidy Scheme for SC/ST Entrepreneurs, if the Borrowers paid dues more than interest dues, (net of interest subsidy component) and other debits if any, the balance amount if any may be adjusted to the Principal based on the request letter from the Borrower. This can be adjusted by raising principal demand through JE manually. The interest component shall be kept as it is (as advance recovery) and it will be get adjusted on 10.07.2020 when the April demand is raised along with regular demand of July, 2020. Similar exercise shall be done for the month of May and June 2020 for adjusting the Principal recovery by raising principal demand manually.
2. In respect of WE, FG and interest subvention schemes for MSMEs, as the availability of interest subsidy is nil/insufficient, if Borrowers paid principal amount apart from entire interest dues/demand (including interest subsidy component) of each month + other debits if any, the excess amount if any may be adjusted to principal amount based on the letter from the respective Borrower by raising principal demand through JE manually. If amount paid by the Borrowers is lesser than monthly interest + other debits there is no need of raising JE.

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3. In respect of loans other than interest subsidy schemes, the guidelines given in above para 2 shall be followed.
4. BOs should ensure that in respect of all the cases where promoters repaid principal amount as per original repayment schedule the same shall be adjusted through JE as above before interest demand computation of subsequent month is done. It is once again reiterated that Branches need to raise the principal demand as per original repayment schedule if the borrowers opted for this, leaving the interest component to be retained in advance

The contents of this ION shall be brought to the notice of all the concerned in your office.

The above is for strict compliance.

Executive Director -II

All the DGMs /AGMs/BMs of Branch Offices
All the DGMs /
AGMs of Audit Cells

The General Managers of all Circles
The General Manager (IA)
The Executive Director- I – for kind infn.