



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆಯ 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./MD/08/2019/20

ದಿನಾಂಕ :

Date 04/11/19

**INTER OFFICE NOTE**

**Sub : Review of existing guidelines on loan processing and disbursement.**

It has been observed that in some of the Branch Offices the Sanctions are quite abnormal compared to targets and there is mis-match in Disbursement and Recovery. Further, in the recently sanctioned cases are being slipped to NPA category, which is not acceptable. In view of the above trend, it has been decided to revise delegation of powers in respect of loan processing and disbursement of loans. In this regard the following guidelines are issued ;

**1. Guidelines for processing of loan applications -**

- i) All the loan proposals up to Rs.150.00 lakhs (including loan proposal falling within the delegated sanctioning powers BMs) shall be placed before the Project Clearance Committee chaired by respective General Managers and loan applications can be issued and accepted only after clearance is given by respective PCC chaired by GMs. The existing guidelines of obtaining in principle clearance from the MD/CMD shall continue in respect of all CRE, Corporate Loan and PE loan proposals ;
- ii) Loan proposals above Rs.150.00 lakhs and below Rs.1000.00 lakhs shall be cleared by PCC chaired by Executive Directors ;
- iii) Loan proposals above Rs.1000.00 lakhs, shall be cleared by PCC chaired by Managing Director.

**2. Withdrawal of delegation of powers given to Branch Managers;**

The existing loan disbursement power given to the Branch Managers are withdrawn/modified as under -

- i) Relaxation in FIC - withdrawn.
- ii) Release of Loan amount on ad-hoc basis - withdrawn
- iii) The Branch Managers are empowered to disburse loans in respect of sanctions done by various authorities up to Rs.100.00 lakhs, at a time after ensuring compliance of terms and conditions of the loan, as against the existing power of Rs.500.00 lakhs. Any releases of Rs.100.00 lakhs and above shall be placed before the respective GMs for clearance before release.

P.T.O.

ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್‌ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು - 560 052

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3. Release of money to the machinery supplier in advance shall be avoided and only in genuine cases it may be considered with the approval of concerned GMs. Further, the payments shall be made to the machinery supplier against the bills issued under E-way bill system/GST bills.

*These guidelines are issued with immediate effect.*

*Elussap Cauw*  
Managing Director 2/11

***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 Directors***