



Ref.No.KSFC/HO/MD/ED(F)/1255/2009-10

Date : 19.11.2009

CIRCULAR No.882

Sub: Guidelines for release of Collateral Security
in respect of accounts under NPA.

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The Executive Committee in its meeting held on 04.11.2009 while deliberating on the proposal of release of collateral security in one of the defaulted units, has instructed that in respect of NPA accounts where proposal for release of collateral security properties are received and where there are no legal impediments, the said properties should have been invariably brought for sale through public auction under SARFAESIA and the market value of the properties assessed. The promoter and collateral security owner should also be informed without fail to be present during the public auction and that they can also bring in prospective bidders. In the event the promoter / collateral security owner offers to pay an amount equivalent to the highest bid amount, then the property could be released to the promoter / collateral security owner on payment of an amount equivalent to the highest bid amount. This shall be adhered strictly.

The contents of this circular may be brought to the notice of all the concerned in your office / department.

Sd/-
MANAGING DIRECTOR

To :

All BMs / ZMs / DGMs of Super 'A' BOs
All Departmental Heads / Principal Officers at HO
All General Managers
Library
EDs – for information.