



Ref : KSFC/HO/MD/176/2009-10

Date : 21.01.2010

CIRCULAR No.892

Sub: Delegation of powers to Recovery Departments in HO

The sanction performance at the Head Office has been reviewed and it is observed that the sanctions at Head Office need to be stepped up in the next two months for achieving the sanction targets. On a review of the system it is observed that while the recovery departments concentrate on monitoring and recovery of loans, their contact with the existing good clientele is not being exploited which could serve as an important contact for sanctions. While the recovery officers have continuous interaction with the clients, the credit needs of the entrepreneurs which are now being forwarded to the credits departments are not fructifying in sanctions. This has been reviewed and a decision has been taken to convert the Recovery-I and Recovery-II Departments into a set up of corporate branches. In light of this the following instructions are issued:

- a) The DGMs of Recovery-I and Recovery-II departments will also handle the sanctions and disbursement functions in addition to their existing recovery functions.
- b) The DGMs of Recovery-I and Recovery-II departments are delegated with powers to sanction fresh loans up to Rs.100 lakhs and additional loans up to Rs.150 lakhs.
- c) In respect of the cases sanctioned by them they will also exercise the powers of disbursements.
- d) Loan proposals involving sanctions of more than Rs.100 lakhs in respect of fresh loans and Rs.150 lakhs in respect of additional loans will be appraised by Recovery-I and Recovery-II departments and the sanction memorandum will be put up to the Executive Director (Operations) for sanctions. The disbursements in respect of these cases will be approved by the ED (O).



- e) The ED (O) is delegated with the sanctioning powers up to Rs.200 lakhs in respect of fresh loans and up to Rs.300 lakhs in respect of additional loans. Sanctions above these limits shall be submitted to the appropriate sanctioning authority as per the existing delegation of authority.
- f) The DGMs (R-I) and (R-II) will report directly to ED (O) in respect of sanctions and disbursement functions. However, in respect of the recovery functions they will report to ED (O) through GM (Recovery). The DGMs (R-I) and (R-II) will continue to handle all the recovery matters as being done now.
- g) The Credits Department at HO will continue to process the loan applications mobilized by the EG Department in the usual course and put up through the GM (Credits) to the respective sanctioning authorities.
- h) The ED (O) is authorized to provide a team of officers to each Recovery Department by redeploying the officers from Credits Departments to the Recovery Departments I and II.

This comes into force with immediate effect.

Sd/-
MANAGING DIRECTOR

All the Principal Officers / Section Heads in HO
All DGMs / ZMs of Super 'A' grade BOs / ZOs
All AGMs/BMs of BOs / IA Cells

All GMs
ED (O) – for infn.
ED (F) - to obtain the ratification of the Board

NOTICE BOARD