



Ref.No.KSFC/HO/MD/ED(F)/542/2009-10

Date : 13.07.2009

CIRCULAR No.864

Sub : Delegation of powers in sanctions to individual officers.
Ref : Lending Policy issued vide Circular No.883 dated 16.08.08.
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As you are aware, the delegation of powers in loan sanction was given to sanctioning committees headed by different officers for sanction of loans to new entrepreneurs and sanction of working capital loans as detailed in the above referred Lending Policy. The Committee on Public Undertakings (COPU) in its review meeting held on 08.05.2009 has made a suggestion to delegate the powers to individual officers instead of committees to establish the accountability of sanctions. In this regard a note was placed before the Board in its meeting held on 30.06.2009. The Board perused the note and observed that establishing accountability for lack of due diligence at the stage of sanctions can not be pin pointed in a committee approach. The Board took note of the observations of the COPU that in a financial institutions accountability has to be clear, specific and identifiable. Hence, the Board approved the delegation powers to individual officers in respect of sanctions as detailed below:

A. For new / existing entrepreneurs:

(Rs. In lakhs)

Sl. No.	Sanctioning Authority	Sanctioning powers (Maximum Amount)			
		New Loans	Escalation	Other than Escalation	Corporate Loan
1	BMs of 'B' Grade Branch Offices	30.00	Within overall limit of Rs.30.00 lakhs (should not exceed 10% of original loan)	Within overall limit of Rs.30.00 lakhs	Rs.10.00 lakhs within the overall limit of Rs.30.00 lakhs
2	AGMs of 'A' Grade Branch Offices	50.00	Within overall limit of Rs.50.00 lakhs (Should not exceed 10% of original loan)	Within overall limit of Rs.50.00 lakhs	Rs.10.00 lakhs within the overall limit of Rs.50.00 lakhs
3	DGMs of Super 'A' Grade Branch Offices / ZMs	60.00	Within overall limit of Rs.60.00 lakhs (should not exceed 15.00% of original loan)	Within overall limit of Rs.75.00 lakhs	Rs.20.00 lakhs within overall limit of Rs.75.00 lakhs



4	General Managers	80.00	Within overall limit of Rs.80.00 lakhs (should not exceed 15% of original loan)	Within overall limit of Rs.90.00 lakhs	Rs.30.00 lakhs within overall limit of Rs.90.00 lakhs
5	Executive Directors	120.00	Within overall limit of Rs.120.00 lakhs (should not exceed 20% of original loan)	Within overall limit of Rs.150.00 lakhs	Rs.75.00 lakhs within overall limit of Rs.150.00 lakhs
6	Managing Director	300.00	Any amount within the overall limit of Rs.300.00 lakhs (should not exceed 20% of original loan)	Within overall limit of Rs.500.00 lakhs	Rs.250.00 lakhs within overall limit of Rs.500.00 lakhs
7	Executive Committee	500.00	500.00	500.00	500.00

The loan proposals more than Rs.500 lakhs shall be placed before the Board for approval.

B. Delegation of power for sanction of loan under Single Window Scheme / Working Capital Term Loan:

<i>Sl.No.</i>	<i>Sanctioning Authority</i>	<i>Sanctioning Powers</i>
1.	Branch Managers of 'B' Grade Branch Offices	Within the overall limit of Rs.30.00 lakhs
2.	AGMs of 'A' Grade Branch Offices	Within the overall limit of Rs.50.00 lakhs
3.	DGMs of Super 'A' Grade Branch Offices / ZMs	Within the overall limit of Rs.60.00 lakhs
4.	General Managers	Within the overall limit of Rs.80.00 lakhs
5.	Executive Directors	WCTL up to Rs.100.00 lakhs within the overall limit of Rs.150 lakhs
6.	Managing Director	WCTL upto Rs.100.00 lakhs within the overall limit of Rs.500.00 lakhs

C. Delegation of powers for sanction of corporate loan and privileged entrepreneur loans for existing good customers:

In respect of existing customers with good track record for more than three years, working on profitable lines corporate loan / privileged entrepreneur loan proposals can be sanctioned by the respective sanctioning authority as detailed below without linking to the overall limit of term loans and WCTL:



Sl.No	Sanctioning Authority	Sanctioning powers (maximum amount)	
		Corporate Loan	Privileged Entrepreneur loan
1	BMs of 'B' Grade Branch Offices	Rs.10.00 lakhs	Rs.10.00 lakhs
2	BMs of 'A' Grade Branch Offices	Rs.15.00 lakhs	Rs.15.00 lakhs
3	DGMs of Super 'A' Grade Branch Offices/ZMs	Rs.20.00 lakhs	Rs.20.00 lakhs
4	General Manager (NZ / SZ / Credits)	Rs.30.00 lakhs	Rs.30.00 lakhs
5	Executive Directors	Rs.50.00 lakhs	Rs.50.00 lakhs
6	Managing Director / CMD	Rs.250.00 lakhs	Rs.100.00 lakhs

The corporate loan and PE loans shall not exceed 150% of the aggregate loan amount disbursed of live accounts (excluding the proposed loan).

The above revised delegation of powers comes into effect from 01.07.2009. The contents of this circular shall be brought to the notice of all in your office / department.

Sd/-
MANAGING DIRECTOR

To:
All BMs
All ZMs / DGMs of Super 'A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library
Executive Directors - for information