

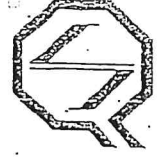


# ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951 ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ.

## KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ISO 9001:2000

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

ದಿನಾಂಕ  
Date : .....

MD/DGM[C]/C -5978/2011-12

16-01-2012.

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### CIRCULAR - 948

#### **Subject : Organisation restructuring.**

A report on the Organisational Restructuring and Decentralisation was placed before the Board on 22-12-2011. The Board has approved the implementation. In this connection, an ION vide KSFC/HO/MD/51/2011-12 dated 31-12-2011 was issued. The Organisation Chart is given at Annexure I. The salient features of reorganisation and decentralization are as given below:

The positions of two Executive Directors will continue and they will be designated as ED -I and ED -II. The ED -I will be in charge of South Zone comprising of two circles viz. Bangalore Circle and Mysore Circle. In addition, he will be overall, in-charge of Corporate Planning, Finance & Accounts, Treasury, MIS, IT and Board Secretary.

The Executive Director -II will be in charge of two circles viz. Dharwad Circle and Gulbarga Circle. In addition the ED -II will be in charge of Personnel, Administration & Training, Recovery [AR], HP&FS and IDD. An officer of AGM rank will be posted to IDD Department with supporting staff.

The General Manager IA would be reporting to the Managing Director.

The Dy. Gen. Manager [L] would be reporting to Managing Director. The AGM(Legal) in charge of branches will be under the administrative control of DGM(L) and will report to the concerned General Managers on matters relating to court cases.

A new department in the name of Risk Management Department is created. This Department would be headed by a DGM who shall report directly to the Managing director. All proposals of loan amount of above 150.00 lakhs shall be subject to Credit Risk Analysis. After appraisal a copy of the appraisal report shall be forwarded to the DGM (RMD). The Risk Management Department would use the existing credit rating models and do the rating within 3 working days from the date of submission of the appraisal memorandum and shall submit their report to the Managing Director. The report shall be forwarded to the concerned sanctioning authorities. The sanctioning authority will take final decision on sanction based on the recommendations of the appraisal and also considering the rating submitted by Risk Management Department. If the credit rating as per the internal model is "not support worthy" such projects are to be rejected. If there is any inconsistency between the credit rating as per the internal models and the credit rating conducted by external agency such proposal will be referred to the Managing Director for final decision. The Risk Management Department would also examine whether the proposal meets sectoral exposure limit. The flow chart is given at Annexure II

The existing Zonal Offices will cease to function with effect from 2<sup>nd</sup> April 2012.

The State is bifurcated into 4 circles namely Circle-I (Bangalore), Circle-II (Mysore), Circle -III (Dharwad) and Circle-IV (Gulbarga). Each circle will be headed by GM. The jurisdiction of the circles is given at Annexure III-(a). The Branch Managers will report to respective General Managers.

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

ದೂರವಾಣಿ ಸಂಖ್ಯೆ ಸಾಮಾನ್ಯ : 22263322 ತಂತಿ : ಮೈಸೂರು ಕಾರ್ಪ್, ಫ್ಯಾಕ್ಸ್ : 080-22250126 ಇ-ಮೇಲ್ : info@ksfc.in ವೆಬ್‌ಸೈಟ್ : www.ksfc.in

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The Branches are classified into three categories :

- i) Branches with loan outstanding of more than Rs.50.00 crore and above will be headed by an officer in the rank of DGM and designated as Super 'A' Grade branch;
- ii) Branches with loan outstanding of more than Rs.35.00 crore and less than Rs.50.00 crore will be headed by AGM and designated as 'A' Grade branch; and
- iii) Branches with loan outstanding of less than Rs.35.00 crore will be headed by Sr. Manager/Managers and designated as 'B' Grade branch.

The new classification of the branches is given at Annexure III -(b).

The classification of branches will be reviewed once in two years.

The Internal Audit Department is re-organised. The Internal Audit Department will be headed by General Manager [IA]. The GM [IA] will be assisted by 4 Audit Cells headed by DGM [IA] at Zone-I (Bangalore), Three AGMs will heading the Audit Cells at Mysore, Dharwad and Gulbarga.

The Credit Department, EG Section at Head Office will cease to function effective from 2<sup>nd</sup> April, 2012 and the manpower will be repositioned appropriately. However, Recovery Department will be dismantled effective from 1<sup>st</sup> July, 2012. The recovery files, document files and loan account files will be transferred before 1<sup>st</sup> July, 2012 to the concerned branches. The transfer of accounts will be effected during first week of July 2012.

All cases where loans are sanctioned but no disbursements are made shall be transferred to concerned branches immediately. The list should be made available to DGM(C) and Senior Manager(IT) to facilitate the transfer of the existing loan accounts pertaining to these cases.

Cases where partial disbursements are made shall continue at Head Office. These cases will be handled by a team of two officers functioning under DGM (Recovery) till 30<sup>th</sup> June 2012. DGM (Recovery) should identify the cases for transfer to branches based on their location and take necessary steps for transfer of loan files, document files and loan accounts to the concerned branches before 30.06.2012. The list of files to be transferred along with the account nos. and name should be forwarded to DGM [C] for transfer of accounts to the respective branches.

The delegation of powers for sanction of loans including all loans [i.e. Additional Loan, Escalation Loan, Working Capital Loan etc.] and excluding Corporate Loan and PES loan has been revised as detailed below :

- |    |                            |  |
|----|----------------------------|--|
| a) | 'B' Grade Branches *       | - Upto Rs.50.00 lakhs                          |
| b) | 'A' Grade Branches *       | - Upto Rs.75.00 lakhs                          |
| c) | Super 'A' Grade Branches * | - Upto Rs.100.00 lakhs                         |
| d) | General Managers           | - Upto Rs.150.00 lakhs                         |
| e) | Executive Directors        | - Above Rs.150.00 lakhs upto Rs.300.00 lakhs   |
| f) | Managing Director          | - Above Rs. 300.00 lakhs upto Rs.500.00 lakhs  |
| g) | Executive Committee        | - Above Rs.500.00 lakhs upto Rs.1000.00 lakhs  |
| h) | Board                      | - Above Rs.1000.00 lakhs upto Rs.2000.00 lakhs |

\* However, the sanctioning powers will be based on substantive position of the officers posted.



Continuation Sheet No.

*The above limit of sanctioning powers indicated is inclusive of present loan outstanding of the existing accounts. The consolidated statement is enclosed at Annexure IV. The new delegation of sanctioning power comes into effect from 2nd April, 2012.*

*In respect of the proposals coming under the sanctioning powers of General Managers and above the Branch Managers will organize / conduct the Project Clearance Committee at the Branch level with the concerned GM as the Chairman. The Concerned GM shall get the proposals processed at the Branch and send the same to the Risk Management Department at HO for its opinion.*

*It shall be the responsibility of the General Managers concerned to place the case before the sanctioning authority and present the same to the satisfaction of the Sanctioning Authority. After sanctioning of the same by the concerned authority, the file shall be transferred to the Branches for further action like Disbursing and Monitoring (Recovery) and also maintaining of the Accounts at the Branch itself.*

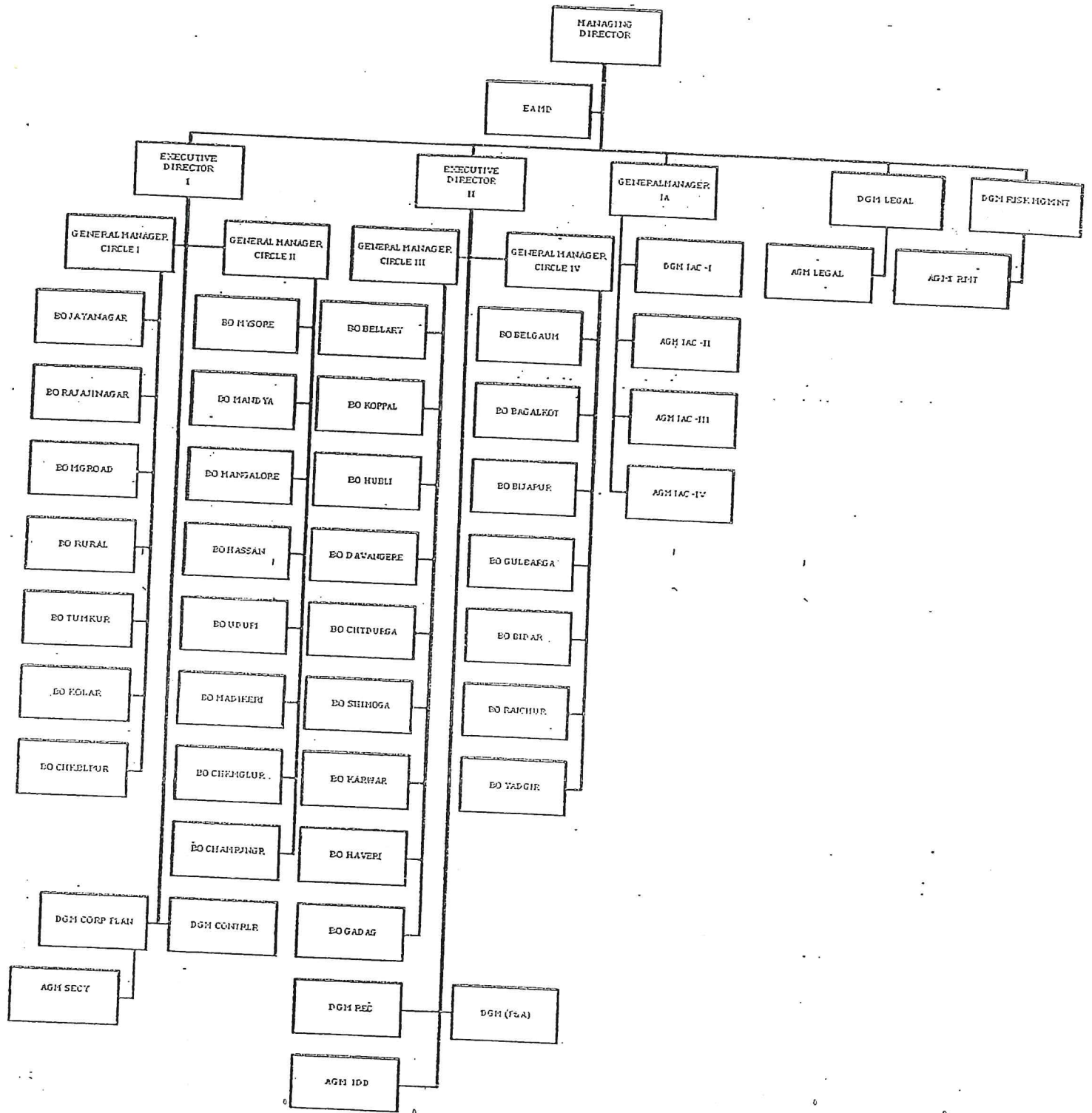
*The DGM (P&A) is instructed to take note of the new organisation structure and arrange for placement of manpower to the upgraded branches.*

*The annual budget exercise for the branches will be based on new delegations. The budget exercise for the Recovery Department will be done in the usual course and after transfer of files the recovery targets for the concerned branches will be revised suitably.*

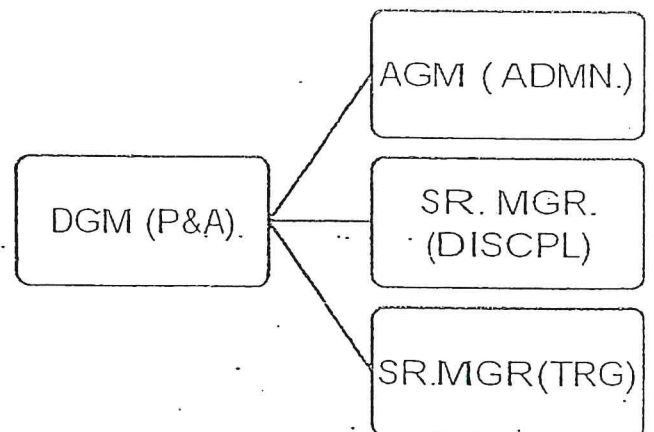
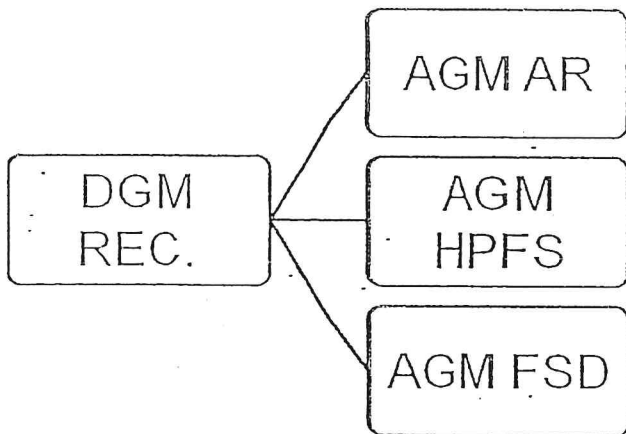
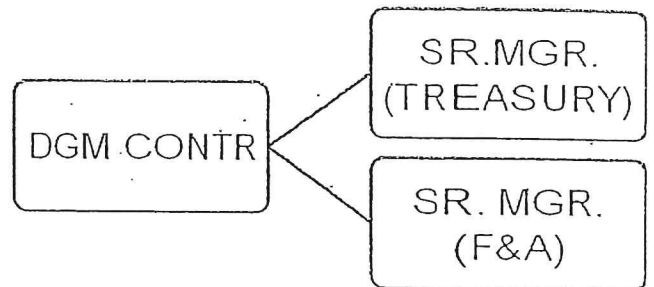
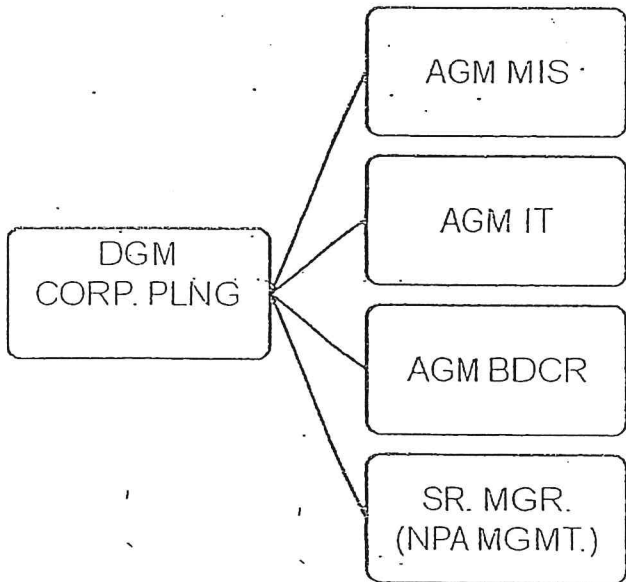
MANAGING DIRECTOR

All the Department Heads in HO  
All the DGMs of ZOs/Super 'A' grade BOs  
All the AGMs of 'A' grade BOs/IA Cells  
All the BMs of 'B' Grade BOs  
EA to MD  
General Managers - at Head Office  
Library

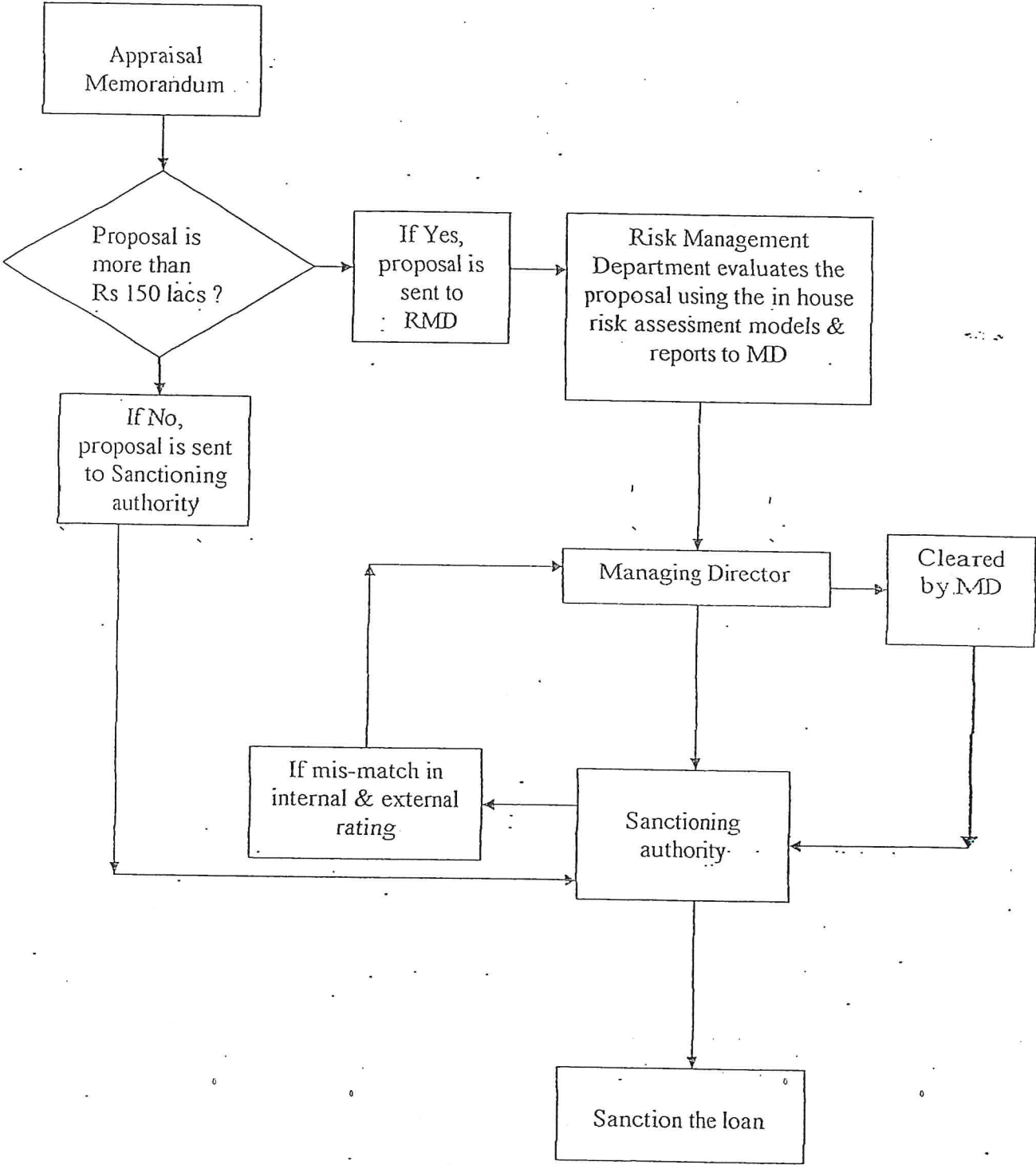
CC : The Executive Director[F] - for infn.  
The Executive Director[O] - for infn.



# SUB-STRUCTURE



FLOW CHART FOR RISK MANAGEMENT DEPARTMENT



Annexure III - a

CLASSIFICATION OF CIRCLES

(Handwritten signature)

CIRCLE - 1

- Tumkur
- Kolar
- Bangalore
- Chickballapur
- Bangalore Rural
- Ramnagar

CIRCLE - 2

- Udupi
- Chickmagalur
- Dakshina Kannada
- Kodagu
- Mysore
- Mandya
- Chamarajanagar
- Hosur

CIRCLE - 3

- Dharwad
- Gadag
- Koppal
- Uttara Kannada
- Haveri
- Bellary
- Davangere
- Shimoga
- Chitradurga

CIRCLE - 4

- Bidar
- Gulbarga
- Bijapur
- Yadgir
- Bagalkot
- Belgaum
- Raichur

Annexure III - b

CLASSIFICATION OF BRANCHES

SUPER 'A' GRADE BRANCHES :

- BO Jayanagar
- BO Rajajinagar
- BO M G Road
- BO Rural
- BO Tumkur
- BO Hubli

- BO Mysore
- BO Mandya
- BO Mangalore
- BO Bellary
- BO Koppal

'A' GRADE BRANCHES :

- BO Kolar
- BO Chickballapur
- BO Hassan
- BO Udupi
- BO Bagalkot
- BO Davangere
- BO Belgaum

- BO Chitradurga
- BO Shimoga
- BO Bijapur
- BO Raichur
- ~~BO Bijapur~~
- BO Bidar
- BO Madikeri
- Bo. Gulbarga

'B' GRADE BRANCHES.

- BO Chickmagalur
- BO Karwar
- BO Chamarajanagar

- BO Haveri
- BO Gadag
- BO Yadgir

**A. DELEGATION OF LOAN SANCTIONING POWERS (GENERAL)**

Annexure IV

<b>Maximum Sanctioning Loan Powers (Rs. In lakhs)</b>			
<b>1) Branch Managers of "B" Grade Branch</b>			
<b>New loan</b>	<b>Additional loan</b>	<b>Corporate loan*</b>	<b>PE loan*</b>
Rs.50.00 lakhs	Within overall limit of Rs.50.00 lakhs	Rs.10.00 lakhs	Rs.10.00 lakhs
<b>2) AGMs of "A" Grade Branch Offices</b>			
Rs.75.00 Lakhs	Within overall limit of Rs.75.00 lakhs	Rs.20.00 lakhs	Rs.20.00 lakhs
<b>3) DGMs of Super "A" Grade Branch Offices</b>			
Rs.100.00 Lakhs	Within overall limit of Rs.100.00 lakhs	Rs.35.00 lakhs	Rs.35.00 lakhs
<b>4) General Managers</b>			
Rs.150.00 Lakhs	Within overall limit of Rs.150.00 lakhs	Rs.50.00 lakhs	Rs.50.00 lakhs
<b>5) Executive Directors</b>			
Rs.300.00 Lakhs	Within overall limit of Rs.300.00 lakhs	Rs.100.00 lakhs	Rs.100.00
<b>6) Managing Director</b>			
Rs.500.00 lakhs	Within overall limit of Rs.500.00 lakhs	Rs.250.00 lakhs	Rs.200.00 lakhs
<b>7) Executive Committee</b>			
Rs. 1000.00 lakhs	Within overall limit of Rs.1000.00 lakhs	Rs.500.00 lakhs	--
<b>8) Board</b>			
Above 1000.00 lakhs	Above 1000.00 lakhs	--	--

The Corporate Loan & PE loans shall not exceed 150% of the aggregate term loan disbursed

**B. DELEGATION OF LOAN SANCTIONING POWERS FOR WORKING CAPITAL TERM LOAN UNDER SINGLE WITHNDOW SCHEME / WORKING CAPITAL TERM LOAN :**

<b>Sanctioning Authority</b>	<b>Sanctioning Power</b>
BMs of "B" grade branches	Up to Rs.10.00 lakhs within overall limit of Rs.50.00 lakhs
AGMs of "A" grade branch offices	Up to Rs.20.00 lakhs within overall limit of Rs.75.00 lakhs
DGMs of Super "A" grade branch offices / ZMs	Up to Rs.50.00 lakhs within overall limit of Rs.100.00 lakhs
General Managers	Up to Rs.75.00 lakhs within over all limit of Rs.150.00 lakhs
Managing Director	Up to Rs.100.00 lakhs within overall limit of Rs.500.00 lakhs
Executive Directors	Up to Rs.100.00 lakhs within overall limit of Rs.300.00 lakhs
Board	Up to Rs.100.00 lakhs within overall limit of Rs.1000.00 lakhs



**D. DELEGATION OF LOAN SANCTIONING POWER OF LOC FOR PURCHASE OF RAW MATERIALS BY MSMEs FROM KSIIDC**

<b>EXISTING.</b>		<b>REVISED</b>	
<b>Sanctioning Authority</b>	<b>Sanctioning Power</b>	<b>Sanctioning Authority</b>	<b>Sanctioning Power</b>
1) BMs of "B" grade branches	30.00 lakhs	1) BMs of "B" grade branches	No changes recommended
2) AGMs of "A" grade branch offices	50.00 Lakhs	2) AGMs of "A" grade branch offices	
3) DGMs of Super "A" grade branch offices/AMs/DGMs of R-1 & R-II	60.00 lakhs	3) DGMs of Super "A" grade branch offices	
4) General Managers	100.00 lakhs	4) General Managers	