



KARNATAKA STATE FINANCIAL CORP.

Established under the State Financial Corporations Act, 1951

ಸಂಖ್ಯೆ: ಕೆ.ಎಸ್.ಎಫ್.ಸಿ.ಎಂ. / 13-11-2012

Ref. No. KSFC/H.O.

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CIRCULAR No.958

ಸ್ಥಾಪನೆ

Date: 13-11-2012

Sub: Furnishing of additional information in the appraisal report.

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The SIDBI in its inspection report has made certain observations and desired that the additional information shall be furnished in the appraisal memorandum while sanctioning the loans. In this regard, the following guidelines are issued for adoption:

1. The branch / appraisal officer should ascertain in writing from the promoters, the source from which the promoter's contribution would be mobilized. A para shall be included in the appraisal memorandum as under:

Promoter's Contribution:- The promoter's contribution in the means of finance is Rs. _____ in the form of share / partners / own capital. The said amount is proposed to be brought in as under:

Name of the promoter / director / partner	Share / Contribution	Source

2. In case internal accruals form part of the means of finance, the availability of such accruals in the business of the concern should be worked out and specifically commended upon in the appraisal memorandum.
3. In respect of greenfield projects, an inter-firm comparative statement shall be annexed to the appraisal memorandum with reference to the capacity, overall project cost, profit margins etc., if similarly placed projects are available.

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ಪ್ರಧಾನ ಕಛೇರಿ: ಕೆ.ಎಸ್.ಎಫ್.ಸಿ.ಎಂ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಲಾಹ ರೋಡ್, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸರ್ಕಾರದ ಕಛೇರಿಗೆ ಸಮೀಪ, ಬೆಂಗಳೂರು - 560 052

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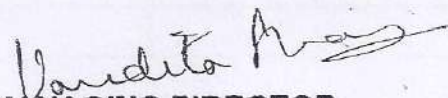
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4. In case of repeat loans, previous ratings should be compared with the current rating and commended in the appraisal memorandum. In case there are no external ratings, the internal ratings shall be compared.
5. To ensure incorporating the clauses in the appraisal memorandum and COS pertaining to (a) promoters to meet the over run in the cost of the project / shortfall in the means of finance; (b) for non-disposal of the shareholdings / retention of the capital in the concern; (c) non-withdrawal of interest bearing / interest-free unsecured loans and acceptance for the COS shall be obtained invariably in all cases.
6. To ensure the release of disbursement either in the name of the contractors / supplier incorporating the name of the Bank and account number of the contractor / supplier or into a non-lien account to be opened by the borrower with any scheduled bank. However, the branches are advised to maximise the disbursement through electronic funds transfer either through RTGS or through NEFT.
7. To ensure pre-disbursement and post-disbursement visits. Such visits should be mandatory particularly where the project envisages civil works. Further, follow-up visits should be carried out at regular intervals as per the guidelines issued in the Loan Disbursement Manual.

The contents of this Circular shall be brought to the notice of all the concerned in your Office / Department.


MANAGING DIRECTOR

To:
All BMs / AGMs / DGMs of BOs
All IA Cells
All Principal Officers / Section Heads in HO
All General Managers
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