

CIRCULAR NO. - 950

**Subject: Revised Delegations-Loan Sanctioning Powers,
Disbursement Powers, Recovery Functions.
Reference: Circular No.948 dt. 17-01-2012.**

In the circular under reference on organisational restructuring, the delegation of loan sanctioning powers was communicated. Based on the feedback received, the delegation of loan sanctioning powers have been modified as indicated at Annexure-I. This supersedes the delegation of sanctioning powers communicated in Circular 948.

In view of the change in Organisation restructure, the delegation of powers for Disbursements and Recovery Functions have also been modified as indicated in Annexure-II and Annexure-III.

The revised delegations are approved in the Board Meeting held on 26-03-2012.

The revised delegation of powers comes into effect from 02-04-2012.

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

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.*

Annexure - I

I. DELEGATION OF LOAN SANCTIONING POWERS.

A. DELEGATION OF LOAN SANCTIONING POWERS (GENERAL):

Sl. No	Sanctioning Authority	Sanctioning powers (Maximum Amount)		
		New Loan	Additional Loan	Corporate Loan
1	BMs of 'B' Grade Branch Offices	₹50.00 lakhs	Within overall limit of ₹50.00 lakhs	₹10.00 lakhs within overall limit of ₹50.00 lakhs
2	AGMs of 'A' Grade Branch Offices	₹75.00 lakhs	Within overall limit of ₹75.00 lakhs	₹10.00 lakhs within overall limit of ₹75.00 lakhs
3	DGMs of Super 'A' Grade Branch Offices	₹100.00 lakhs	Within overall limit of ₹100.00 lakhs	₹25.00 lakhs within overall limit of ₹100.00 lakhs
4	General Managers	₹150.00 lakhs	Within overall limit of ₹150.00 lakhs	₹50.00 lakhs within overall limit of ₹150.00 lakhs
5	Executive Directors	₹300.00 lakhs	Within overall limit of ₹300.00 lakhs	₹100.00 lakhs within overall limit of ₹300.00 lakhs
6	Managing Director	₹500.00 lakhs	Within overall limit of ₹500.00 lakhs	₹250.00 lakhs within overall limit of ₹500.00 lakhs
7	Executive Committee	₹1000.00 lakhs	Within overall limit of ₹1000.00 lakhs	₹500.00 lakhs within overall limit of ₹1000.00 lakhs
8	Board	Above ₹1000.00 lakhs	Above ₹1000.00 lakhs	₹500.00 lakhs within overall limit of ₹2000.00 lakhs

B. DELEGATION OF LOAN SANCTIONING POWERS FOR EXISTING GOOD CUSTOMERS:

Sl. No	Sanctioning Authority	Sanctioning powers (Maximum Amount)	
		Corporate Loan	Privileged Entrepreneur Loan
1	BMs of 'B' Grade Branch Offices	₹10.00 lakhs	₹10.00 lakhs
2	AGMs of 'A' Grade Branch Offices	₹20.00 lakhs	₹20.00 lakhs
3	DGMs of Super 'A' Grade Branch Offices	₹35.00 lakhs	₹35.00 lakhs
4	General Managers	₹50.00 lakhs	₹50.00 lakhs
5	Executive Directors	₹100.00 lakhs	₹100.00 lakhs
6	Managing Director	₹250.00 lakhs	₹200.00 lakhs
7	Executive Committee	₹500.00 lakhs	--

Note:

Eligibility Criteria for Existing Good Customers:

1. The units should have availed loan of ₹10 lakhs and more from KSFC in the past and should have a good track record for at least 3 years.
2. The account should have been in standard category during the last 3 years.
3. In respect of rescheduled cases and cases covered under DRS-RSR, the account should be regular and in standard category for the previous 3 years.
4. The unit should be working on profitable lines i.e., the units should have earned net profits at least during the last 3 years as evidenced by the audited financial statements.

In respect of these categories of borrowers, the respective sanctioning authority can sanction corporate / PE loan as detailed above without linking it to the overall limit of term loans and WCTL. However, if the project for which latest loan sanctioned is under implementation, the sanctioning of corporate / PE loan in such cases shall fall within the delegated powers of the earlier loan sanctioning authority. Further, the corporate loan and PE loans shall not exceed 150% of the aggregate loan amount disbursed of live accounts (excluding the proposed loan).

C. DELEGATION OF LOAN SANCTIONING POWERS FOR WORKING CAPITAL TERM LOAN UNDER SINGLE WINDOW SCHEME / WORKING CAPITAL TERM LOAN:

<i>Sl. No.</i>	<i>Sanctioning Authority</i>	<i>Sanctioning Power</i>
1	<i>BMs of 'B' Grade Branch Offices</i>	<i>Up to ₹10.00 lakhs within overall limit of ₹50.00 lakhs</i>
2	<i>AGMs of 'A' Grade Branch Offices</i>	<i>Up to ₹20.00 lakhs within overall limit of ₹75.00 lakhs</i>
3	<i>DGMs of Super 'A' Grade Branch Offices</i>	<i>Up to ₹50.00 lakhs within overall limit of ₹100.00 lakhs</i>
4	<i>General Managers</i>	<i>Up to ₹75.00 lakhs within overall limit of ₹150.00 lakhs</i>
5	<i>Executive Directors</i>	<i>Up to ₹100.00 lakhs within overall limit of ₹300.00 lakhs</i>
6	<i>Managing Director</i>	<i>Up to ₹100.00 lakhs within overall limit of ₹500.00 lakhs</i>
7	<i>Executive Committee</i>	<i>Up to ₹100.00 lakhs within overall limit of ₹1000.00 lakhs</i>

D. DELEGATION OF LOAN SANCTIONING POWER OF LOC FOR PURCHASE OF RAW MATERIALS BY MSMEs FROM KSSIDC:

<i>Sl. No.</i>	<i>Sanctioning Authority</i>	<i>Sanctioning Power</i>
1	<i>BMs of 'B' Grade Branch Offices</i>	<i>₹30.00 lakhs</i>
2	<i>AGMs of 'A' Grade Branch Offices</i>	<i>₹50.00 lakhs</i>
3	<i>DGMs of Super 'A' Grade Branch Offices</i>	<i>₹60.00 lakhs</i>
4	<i>General Managers</i>	<i>₹100.00 lakhs</i>

NOTE: The sanctioning powers indicated at Table 'B' and 'D' are exclusive powers and loans can be sanctioned in addition to the overall limits indicated at Table 'A'. However, the additional loans and the Corporate loans in Table 'A' and the working capital loan indicated at Table 'C' should be within the overall maximum limit indicated for the respective sanctioning authorities in Table 'A'.

II. DELEGATION OF DISBURSEMENT POWERS:

I. LOAN DISBURSEMENT:

a) Branch Managers:

The Branch Managers are empowered to disburse loans in respect of sanctions done by various authorities up to `5.00 crore at a time after ensuring the fulfilment of terms and conditions of loan sanction. However, the BMs are empowered to relax minor conditions like non receipt of copy of IT returns, renewed license, WC arrangements and appointment of skilled persons. This does not apply to conditions specifically laid down by higher / sanctioning authorities.

Further, all these conditions shall be complied before release of last 35% of the term loan amount.

Further, the Branch Managers are authorized to release the moneys directly to KIADB for purchase of KIADB land by the promoters assisted by KSFC after obtaining interim documents of all the promoters / personal guarantees, loan agreement and undertaking letter etc. However, the BM shall ensure that the guidelines issued vide circular no.919 dated 17.09.2010 is complied with.

b) General Managers:

General Managers are empowered to disburse loans sanctioned by various authorities irrespective of the quantum of loan amount to be disbursed. Further, they may use their discretion to defer compliance of minor conditions like non receipt of copy of IT returns, renewed licence, working capital arrangements and appointment of skilled persons, till release of 65% of sanctioned loan amount except those conditions which have been specifically imposed by the higher / sanctioning authorities.

In the event of non availability of the above Officers, next higher authorities are authorized to cause disbursements as above.

2. RELAXATION OF FIRST INVESTMENT CLAUSE (FIC):

- a) Branch Managers can relax FIC upto 15%;*
- b) General Managers can relax FIC upto 30%;*
- c) Executive Directors can relax FIC upto 40%;*
- d) Managing Director can relax FIC upto 50%;*
- e) Relaxation in FIC in excess of 50% be placed before the Executive Committee;*

Note:

- a. However, in respect of existing MSMEs working on profitable lines for a minimum period of last three years and if the loan is sanctioned towards acquisition of land / shed from KIADB / KSSIDC, the FIC may be relaxed subject to a maximum of 75% by the concerned Branch Managers.*
- b. In respect of existing MSMEs working on profitable lines, FIC may be relaxed by the Branch Managers while releasing the loan amount towards acquisition of plant and machinery by ensuring proportionate contribution brought in by the promoters. However, in such cases the BM shall ensure that delay / non-acquisition of remaining machinery would not affect the viability of the project for the amount disbursed.*

3. ADHOC RELEASE:

- a. *Branch Managers are authorized to release term loan on adhoc basis subject to temporary relaxation of security margin upto 10% (Primary security only). However this shall be made good before the next release;*
- b. *General Managers are empowered to relax security margin (PS) up to 15%. However this shall be made good before considering the next release;*
- c. *Executive Directors are empowered to relax security margin upto 25%. However, this shall be made good before considering the next release;*
- d. *Managing Director is empowered to relax security margin upto 50%. However, this shall be made good before considering the next release.*

4. CHANGE OF MACHINERY:

a) Change in machinery supplier:

Branch Managers are authorized to approve change of machinery supplier in respect of all cases. However, they should ensure that the machinery supplier should be of reputed / well established track record. The approving authority should ensure that the overall nature of the project and purpose of loan is not altered materially.

b) Change in machinery:

Branch Managers are authorized to approve changes in machinery in respect of cases where the loan is extended to the existing units which are working on profitable lines. However, in respect of new units, the Branch Managers can approve the change in machinery upto 25% of total estimated cost of plant and machinery. If the change in machinery is beyond 25% of total estimated cost of plant and machinery, the General Managers are empowered to approve the same.

However, the BMs/GMs shall ensure that promoters shall meet the additional cost if any out of their own funds due to the above changes and not approach the Corporation for additional funding and also ensure that the quality, cost, service network etc., are comparable or of better standards.

5. CHANGE IN MANAGEMENT / CONSTITUTION / PROMOTERS / SHARE-HOLDING PATTERNS ETC., DURING IMPLEMENTAION:

For all limited companies and partnership firms changes in share holding pattern with original promoters retaining share holding up to 51%, the approving authority will be Branch Managers subject to the condition that there is no dilution of security, networth and release of personal guarantees consequent to change.

Beyond 51% change in the share holding pattern of the promoters / change in management, constitution, promoters and share holding pattern etc., during implementation, the Managing Director shall be the approving authority in respect of cases sanctioned by EC / Board. In respect of all other cases, the respective sanctioning authority shall be the approving authority.

While processing the files for the above said matter, the concerned Officers should exercise due diligence and ensure that at no point, the comforts available to the Corporation are diluted in the form of securities / guarantees. The changes as above should invariably be beneficial to the Corporation and the same shall be explicitly explained and stated on the relevant case file.

6. SUBSTITUTION OF COLLATERAL SECURITIES AND PERSONAL GUARANTEES:

Substitution of collateral security and personal guarantees in respect of Board / EC sanctioned cases, the approving authority is the Managing Director;

In respect of cases sanctioned by Managing Director / Executive Directors / Sanction Committee, Executive Directors are authorized to approve substitution of collateral security and personal guarantees.

In respect of cases sanctioned by General Managers / Sanction Committee and cases sanctioned by erstwhile Zonal Managers, the General Managers are authorized to approve substitution of collateral security and personal guarantees.

In respect of cases sanctioned by Branch Managers / Sanctioning Committee headed by BMs, the Branch Managers are authorized to approve.

However, while considering the substitution of collateral security and personal guarantees, the approving authorities shall exercise due diligence as also comply with the following points:

- 1. Ensure that the account is not in default.*
- 2. The quality of collateral security in terms of locational importance, saleability value etc., is not compromised. Similarly, the personal guarantee proposed to be replaced shall possess equal or better networth compared to the earlier personal guarantee.*

7. REVALIDATION OF LOANS:

<i>Sl. No.</i>	<i>Loans</i>	<i>First release</i>	<i>Last release</i>
<i>1</i>	<i>Term loans / additional term loans</i>	<i>Within 6 months of loan sanctions</i>	<i>Within 2 years of loan sanction</i>
<i>2</i>	<i>a. WCTL - SWS</i>	<i>Within 6 months from the date of project implementation</i>	<i>Within 2 years of loan sanction</i>
	<i>b. Only WCTL</i>	<i>Within 3 months</i>	<i>Within 6 months</i>
<i>3</i>	<i>Corporate loan / PE loan</i>	<i>Within 3 months</i>	<i>Within 6 months</i>

In case any major amount stands un-disbursed even after the expiry of the validity period of two years from the date of sanction, the validity period may be extended subject to the condition that the promoter utilizes the un-disbursed amount and completes the project without seeking any additional loan. This revalidation can be done by the Branch Managers. For such revalidation, the prescribed upfront fee has to be collected afresh and the rate of interest as applicable as on the date of revalidation or the earlier contract rate, whichever is higher, shall be made applicable for the revalidated amount. However, the revalidated period shall be reasonable so as to allow the promoter to complete the project.

Revalidation of un-disbursed term loan / additional term loan can be done only up to a maximum period of 3 years from the date of loan sanction.

8. RE-ALLOCATION OF FUNDS:

The re-allocation of savings from one head to other and also from machinery to civil works or from civil works to machinery can be considered subject to:

- a. If the unit has already acquired major part of machinery.*
- b. The savings are identified clearly.*
- c. Justification for diversion.*
- d. No further financial commitment from the Corporation for completing the implementation of the project.*

The Branch Managers are authorized to approve changes in re-allocation of savings in respect of all the cases

However, the re-allocation of funds from building to machinery shall be approved by the respective sanctioning authority and Managing Director in respect of loans sanctioned by EC/Board, if the security insisted for the loan is less than 100% or under relaxed terms.

9. CANCELLATION / LIMITATION OF LOAN:

Cancellation:

The Branch Managers are authorized to cancel loans sanctioned by them if the first disbursement is not effected within six months from the date of loan sanction.

In respect of other cases, General Managers are authorized to cancel loans if the first disbursement is not effected within six months from the date of loan sanction.

Limitation:

The Branch Managers are authorized to limit the loan to the extent drawn, cancel the balance un-disbursed amount and to refix the installments in respect of the amount drawn, if the amount to be cancelled is less than 20% of the amount sanctioned subject to the condition that the unit is in a position to generate sufficient cash surplus. In case the project is abandoned, action shall be initiated to recover the loan amount disbursed. Further, any portion of the loan remaining un-drawn after a period of two years from the date of loan sanction shall lapse automatically.

In respect of partly disbursed cases where the amount to be cancelled is more than 20% of the amount sanctioned, the respective loan sanctioning authority is authorized to limit / cancel the loan. However, in respect of cases where loan is sanctioned by Board / EC / MD, the Managing Director is authorized to approve the same. Further action shall be taken to refix the instalment commensurate with generation of income within the overall repayment period.

10. REFIXATION OF INSTALMENT DURING IMPLEMENTATION:

The Branch Managers are authorized to refix the repayment instalments for one time during the implementation of the project, if there is a delay in the implementation of the project, in respect of the cases sanctioned upto the level of Executive Directors. However, the overall repayment period should not exceed more than 12 months to the original repayment period and the promoters shall be regular in payment of interest dues. In respect of the cases sanctioned by MD, EC, Board and proposals involving extension of repayment beyond 12 months, such proposals shall be approved by the Managing Director.

11. ISSUE OF NOC / RELEASE OF CHARGES:

The Branch Managers are authorized to issue NOC / release of charges for residential flats, apartments and commercial complex. However, this is subject to the condition that the promoter pays proportionate loan amount plus 25% of the proportionate loan amount thereon. There should not be any interest overdue and the validity period for NOC should not exceed the overall repayment period fixed for repayment of term loan.

12. ISSUE OF NOC FOR CEDING 2ND CHARGE / 3RD CHARGE TO BANKS AND FINANCIAL INSTITUTIONS:

During the course of disbursement if the promoter comes up with a request for ceding 2nd charge / 3rd charge in favour of banks and other financial institutions, the Branch Managers are authorized to issue NOC for ceding 2nd charge / 3rd charge in favour of Banks and other Financial Institutions, subject to the prevailing guidelines and circulars.

GENERAL GUIDELINES:

- 1. The disbursement officer shall exercise due diligence while causing disbursement and shall act purely in the interest of the Corporation;*
- 2. The action of the disbursing officer shall be subject to audit, if so, ordered by the Managing Director / Executive Directors;*
- 3. The present guidelines on concurrent audit shall continue to be in vogue for all loans;*
- 4. The interpretation of the guidelines by the Managing Director shall be final.*

Annexure - III

DELEGATION OF POWERS IN RESPECT OF RECOVERY FUNCTIONS

1. Issue of Notices under section 29 of SFCs Act:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of files maintained at BOs</i>	<i>Branch Manager</i>
<i>In respect of files maintained at HO</i>	<i>HODs at HO</i>
<i>NB: In the notice, the borrowers / guarantors shall be called upon to show cause, if any to the concerned authority who is empowered to issue the seizure order (BMs/GMs/EDs/MD)</i>	

2. Taking recovery action under SARFAESI Act:

The Branch Managers, AGMs of Super 'A' Grade BOs and HODs at HO are designated as “Authorized Officers” to initiate / continue the proceedings under SARFAESI Act in respect of all cases.

3. Issue of Recall Notice:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of files maintained at BOs:</i>	
<i>a) Loans upto the delegated sanctioning powers of BMs</i>	<i>a) Branch Manager</i>
<i>b) Other cases</i>	<i>b) General Manager</i>
<i>In respect of files maintained at HO</i>	<i>Executive Director</i>

4. Seizure of assets:

<i>Particulars</i>	<i>Approving Authority</i>
<i>Upto the delegated sanction powers of BM and in respect of vehicles (irrespective of amount sanctioned)</i>	<i>Branch Manager</i>
<i>Upto the delegated sanction powers of GMs</i>	<i>General Manager</i>
<i>Upto the delegated sanction powers of EDs</i>	<i>Executive Director</i>
<i>In all other cases including files maintained at HO</i>	<i>Managing Director</i>

5. Payment of watch & ward charges:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of files maintained at BOs</i>	<i>Branch Manager</i>
<i>In respect of files maintained at HO</i>	<i>HODs at HO</i>

6. Payment of professional fees to advocates:

<i>Particulars</i>	<i>Approving Authority</i>
<i>If the payment of fees is as per the guidelines issued vide Circular No.810 dated 13.03.2002</i>	<i>BM / HODs</i>
<i>Any relaxation in the above</i>	<i>Managing Director</i>

7. Fixing the reserve price while bringing the asset for sale through e-auction:

The Branch Managers and HODs are empowered to fix the reserve price as per the guidelines given vide Circular No.921 dated 15.10.2010 (with the approval of the Competent Authority, in respect of the assets where the reserve price is to be fixed which is lesser than the internal / external valuation).

8. Issue of sale advertisement & incurring expenditure for the same:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of files maintained at BOs</i>	<i>Branch Manager</i>
<i>In respect of files maintained at HO</i>	<i>HODs at HO</i>

9. Sale of assets under Section 29 of SFCs Act / SARFAESI Act:

<i>Particulars</i>	<i>Approving Authority</i>
<i>To bring the assets for sale through e-auction</i>	<i>BM / HODs at HO</i>
<i>To approve sale of assets</i>	<i>GM in respect of BO cases and ED in respect of HO cases</i>

10. Action under KPM(RD) Act / Sec.32(G) of SFCs Act:

<i>Particulars</i>	<i>Approving Authority</i>
<i>Issue of notices under KPM(RD) Act / Sec.32(G) of SFCs Act*</i>	<i>BM / HOD at HO</i>
<i>To issue Certificate of Recovery to the Deputy Commissioner under the Karnataka Public Moneys (Recovery of Dues) Act / Sec.32(G) of SFCs Act</i>	<i>Managing Director</i>
<i>*NB: In the Show Cause Notice, borrowers / owners of collateral securities shall be asked to show cause to the Managing Director.</i>	

11. Filing case in DRT and to incur necessary expenditure in that connection:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of all cases maintained at BOs / HO</i>	<i>Managing Director</i>

12. Filing of petition under Section 31 and filing of suits under Civil Procedure Code:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of cases maintained at BOs</i>	<i>Branch Manager</i>
<i>In respect of cases maintained at HO</i>	<i>HOD</i>

13. Release of units from Section 29:

<i>Particulars</i>	<i>Approving Authority</i>
<i>To release the units by collecting entire interest overdues or 50% of the total overdues whichever is higher</i>	<i>Branch Manager / HOD</i>
<i>To release the units by collecting 50% of the total interest overdues or 25% of the total overdues whichever is higher</i>	<i>General Manager</i>
<i>To release the units by collecting 25% of the total interest overdues or 15% of the total overdues whichever is higher</i>	<i>Executive Director</i>
<i>Any further relaxation beyond above.</i>	<i>Managing Director</i>

14. Filing of cases under Section 138 of Negotiable Instrument Act:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of cases maintained at BOs</i>	<i>Branch Manager</i>
<i>In respect of cases maintained at HO</i>	<i>HOD</i>

15. Change in location of unit:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of cases maintained at BOs</i>	<i>General Manager</i>
<i>In respect of cases maintained at HO</i>	<i>Executive Director</i>

16. Change in constitution without releasing existing personal guarantees:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of cases maintained at BOs</i>	<i>General Manager</i>
<i>In respect of cases maintained at HO</i>	<i>Executive Director</i>
<i>Note : Change should have consent of borrower / guarantor/s by obtaining fresh guarantee deed.</i>	

17. Change in Management:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of cases sanctioned by ED / GM / DGM / AGM / BM</i>	<i>Next higher level of loan sanctioning authority</i>
<i>In respect of cases sanctioned by Board / EC / Managing Director</i>	<i>Managing Director</i>
<i>Note : Change should have consent of borrower / guarantor/s by obtaining fresh guarantee deed.</i>	

18. Change in collateral security:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of loans sanctioned by the Branch Manager</i>	<i>General Manager</i>
<i>In respect of other cases</i>	<i>Executive Director</i>
<i>Note: The change in collateral security is subject to the condition that the loan account should not be in default. The valuation of new collateral property shall not be less than the earlier one. Further, the quality of collateral security in terms of locational importance, saleability etc., is not compromised.</i>	

19. Release of collateral security:

<i>Particulars</i>	<i>Approving Authority</i>
<p><i>Release of collateral security with payment of 100% of market value or SR rate whichever is higher:</i></p> <p>(a) Accounts which are in standard category and there is no dilution in collateral security for the remaining loan outstanding.</p> <p>(b) Accounts which are in NPA (the property should have been brought for sale atleast once under e-auction and if the highest offer received is more than 100% of the internal valuation as assessed above or the market value whichever is higher, the highest offer received shall be collected for release of collateral security)</p>	<p><i>General Manager</i></p> <p><i>Executive Director</i></p>
<i>Release of collateral security without any payment in respect of accounts under standard category and present loan balance is backed by sufficient security, the security norms prescribed under Lending Policy shall not be diluted.</i>	<i>Next higher level of loan sanctioning authority. Managing Director in respect of loans sanctioned by MD / EC / Board</i>

20. Sharing of charge over primary assets on pari-passu basis with other financial institutions / Banks:

<i>Particulars</i>	<i>Approving Authority</i>
<i>In respect of all cases</i>	<i>Next higher level of loan sanctioning authority. Managing Director in respect of loans sanctioned by MD / EC / Board</i>

21. Rescheduling of loans:

<i>Particulars</i>	<i>Approving Authority</i>
<i>To approve the rescheduling of term loan in respect of all cases involving overall repayment period upto 20 years from the date of first disbursement</i>	<i>Managing Director</i>
<i>To approve the rescheduling of term loan in respect of all cases involving overall repayment period upto 15 years from the date of first disbursement</i>	<i>Executive Director</i>
<i>To approve the rescheduling of term loan in respect of all cases involving overall repayment period upto 12 years from the date of first disbursement</i>	<i>General Manager</i>
<i>To approve the rescheduling / re-fixing of term loan in respect of all cases involving overall repayment period upto 08 years from the date of first disbursement</i>	<i>Branch Manager / HODs</i>
<i>Note : Rescheduling should have consent of borrower / guarantor/s and fresh guarantee deed shall be obtained.</i>	

22. Funding of interest dues:

<i>Particulars</i>	<i>Approving Authority</i>
<i>To approve the funding of interest dues with or without charging further interest on such funding interest or charging further interest for the rate considered appropriate depending on the merit of each case</i>	<i>Next higher level of loan sanctioning authority. Managing Director in respect of loans sanctioned by MD / EC / Board</i>
<i>Note : Funding of interest dues should have consent of borrower / guarantor/s and fresh guarantee deed shall be obtained.</i>	

23. Others:

<i>Particulars</i>	<i>Approving Authority</i>
<i>Execution of sale deeds on behalf of the Corporation with respect to sale of property under:</i>	
<i>(a) Section 29</i>	<i>B M / HOD at HO</i>
<i>(b) SARFAESIA</i>	<i>Authorized Officer</i>
<i>To sign escrow agreement</i>	<i>Branch Manager/ HOD at HO</i>
<i>To issue NOC to cede second charge / third charge in favour of commercial bank / government subject to the condition that the bank agrees to sanction need-based working capital. After obtaining relevant sanction order second charge may be ceded in the prescribed format</i>	<i>Branch Manager / HOD at HO</i>

24. General Guidelines:

- The AGMs in Super 'A' BOs are empowered to exercise delegated powers on par with AGMs of 'A' grade BOs in respect of recovery functions;*
- The Managing Director is authorized to take decisions beyond the delegated powers of EDs whenever it is not specifically mentioned;*
- In the event of absence of any designated officer, the next higher authority is authorized to exercise the delegated powers of such designated officer;*
- Limits of "Loans upto their delegated sanctioning power" is as per delegation of sanction powers given under:*

<i>Sanctioning Authority</i>	<i>Maximum amt. (` in lakhs)</i>
<i>Branch Managers of 'B' Grade BOs</i>	<i>50.00</i>
<i>Branch Managers of 'A' Grade BOs</i>	<i>75.00</i>
<i>Branch Managers of Super 'A' Grade BOs</i>	<i>100.00</i>
<i>General Managers</i>	<i>150.00</i>
<i>Executive Directors</i>	<i>300.00</i>

The above figures are inclusive of all the loans sanctioned under any scheme like PE loans, Corporate loans, Bridge Loans, financing of existing assets etc. The cumulative sanctions of the accounts which are in currency shall be the criteria for determination of the ceiling and subject to change with Board approval from time to time. The term 'Branch Manager' wherever the context so requires shall mean DGM / AGM / Sr. Manager / Manager heading the respective branch.

- The interpretation of the above guidelines by the Managing Director shall be final and binding.*

