

**ANNEXURE TO CIRCULAR NO BCC/BR/102/ dated 28/12/2010**

(Rs. in lacs)

SL. NO.	Particulars	DGM SMGS-VI	AGM SMGS-V	CM SMGS-IV	S. Mgr MMGS-III	Mgr. MMGS-II	Officer JMGS-I
1.	<b>Aggregate Group Limit</b>	<b>3000</b> (2500)	<b>1800</b> (1500)	<b>600</b> (500)	200 (200)	<b>70</b> (65)	25 (25)
2.	<b>Aggregate per party Limits</b> (Funded & Non- Funded) for exercising credit rating linked DLP as per Domestic Loan Policy 2009	<b>1500</b> (1250)	<b>900</b> (750)	<b>300</b> (250)	100 (100)	35 (35)	12.50 (12.50)
	Proviso: Unsecured advances ( including unsecured portion of Adhoc / Excess / TOD	<b>300</b> (250)	<b>150</b> (125)	50 (50)	5 (5)	2 (2)	1 (1)
3.	<b>CAP PER YEAR (FOR FRESH AND INCREASE IN EXISTING LIMITS)</b>						
(a)	Group limit	30 times of Group Limit		25 times of Group Limit		20 times of Group Limit	
(b)	Per party limit	30 times of per party limit		25 times of per party limit		20 times of per party limit	
4.	Advance against approved shares and debentures to individual borrowers and brokers (Subject to RBI guidelines)	Powers subject to the cap for maximum amount as per RBI's and our Bank's guidelines.			12.50 (10)	6.25 (5)	3.75 (3)
5.	*Adhoc / Excess over sanctioned limits / DAUE in accounts with min. BOB-6 / MSME BOB 6 rating (B+ as per old rating model).	<b>400</b> (375)	<b>300</b> (250)	<b>75</b> (62.50)	6.25 (6.25)	2.50 (2.50)	1.25 (1.25)
(a)	Adhoc / Excess / DAUE in accounts (B only as per old rating model) These will be applicable only for accounts having exposure below Rs.25/-lacs	6.25	6.25	6.25	3.125	1.25	0.625
(b)	Maximum period for Adhoc sanctions	3 months	<b>3 months</b> (2 mths)	2 months	2 months	2 months	2 months
6.	DAUE in current account against cheques issued by Govt. Dept. / Central PSUs or DD / Banker's Cheques Issued by PSBs / Reputed Private Sector Banks / Foreign Banks	<b>200</b> (175)	<b>150</b> (125)	<b>50</b> (30)	3 (3)	1.25 (1.25)	0.625 (0.625)
6.	Temp. Overdraft (TOD) with a maximum period of 15 days / DAUE in current A/Cs when instruments are other than those mentioned in 6 (a) above.	<b>150</b> (100)	<b>75.00</b> (62.50)	<b>20</b> (15.00)	<b>1.50</b> (1.50)	<b>0.625</b> (0.625)	<b>0.30</b> (0.30)
7.	Advance against Bank's own Deposits, Guarantee and/or L/C with 100 % cash margin or fully backed by counter guarantee of other banks.	Full powers	Full powers	250 (250)	200 (200)	62.50 (62.50)	25 (25)

\*Since all accounts with exposure of Rs.25 lacs and above have to be rated under CRISIL RAM / MSME rating model as applicable, powers contained in 5(a) will be applicable for accounts under CRISIL RAM / MSME rating with minimum acceptable rating of BOB-6 / MSME BOB 6. These powers will also be applicable for accounts having exposure of less than Rs.25 lacs with minimum rating of B+.

❖ **NOTE: Figures in brackets indicate existing powers**

- Group borrowers will be considered based on guidelines in Domestic Loan Policy 2009
- The revised lending powers are inclusive of funded and non-funded exposure without any bifurcation.

- Amount indicated in unsecured advances is out of per party limit (i.e. within per party limit) and includes both fund based and non fund based limits.
- Powers for granting Adhoc limits / Excess over limits may be exercised in all accounts including those sanctioned by MCB only at the DGM level. Others to restrict their adhoc powers only to the extent of their DLP **i.e. both the existing limits plus adhoc SHOULD NOT EXCEED their DLP for aggregate per party limit or aggregate group limit.**
- Adhoc / Excess are for a maximum period of -2- months upto Scale I to Scale IV functionaries and for a maximum period of -3- months for functionaries in Scale V and Scale VI.
- **Powers for TOD, is for -15- days only .**

**A) CAP / CEILING ON DLP OF VARIOUS AUTHORITIES PER YEAR (FOR FRESH AND INCREASE IN EXISTING LIMITS)**

		DGM SMGS-VI	AGM SMGS-V	CM SMGS- IV	S. Mgr MMGS-III	Mgr. MMGS-II	Officer JMGS-I
(a)	Group limit	30 times of Group limit		25 times of Group limit		20 times of Group limit	
(b)	Per party limit	30 times of per party limit		25 times of per party limit		20 times of per party limit	

As per Domestic Loan Policy 2009, the authorities concerned shall not normally exceed DLP. However, depending upon business needs the sanctioning authority may be authorised to exceed the annual ceilings by the next authority not below the level of Asst. General Manager, by considering suitable increase in the ceiling.

The sanctioning authorities are to maintain necessary Branch-wise records to ensure that the above cap is duly complied with and the same needs to be reported through Post Sanction Reporting.

The following class of advances shall not be reckoned for the purpose of computation of above annual ceiling: -

- Advances to staff members under specific schemes for bank's staff only.
- Advances against Bank's own deposits and against specific securities viz., NSCs / KVPs / LIC policies etc
- Advances under various Government sponsored schemes and to weaker sections.
- Review of advances accounts without any increase.
- In case of Review with increase, the existing limits will be excluded and only incremental portion will be taken into account.

**B) ADVANCE AGAINST BANK'S OWN DEPOSITS, GUARANTEES AND / OR LETTER OF CREDIT WITH 100% CASH MARGIN OR FULLY BACKED BY COUNTER GUARANTEE OF OTHER BANKS**

- a) In terms of Circular no BCC:BR:99:157 dated 21.05.2007 and BCC:BR:99:153 dated 18.05.2007, all the functionaries are advised to meticulously comply with extant RBI's / Bank's internal guidelines and ensure availability of 100% cash margin upfront, before issuance of Bank Guarantees (BG) / Standby Letter of Credit (LC) while exercising the discretionary lending powers for issuing BG or LC backed by 100% cash margin. Inoperative guarantees also cannot be issued before recovery of full cash margin upfront.
- b) Authorities' upto the level of Deputy General Managers may exercise the powers for LC and Guarantees under serial no. 7 in the table-I only against fully backed counter guarantees of the following banks:

- a) All Nationalised Banks
- b) SBI & Associates of SBI
- c) ICICI Bank, IDBI Bank, HDFC Bank & Axis Bank

In respect of other cases, proposals are to be referred to their Zonal Heads in the rank of General Managers upto their DLP and beyond the DLP of Zonal Heads, to Corporate Office, for consideration on merits.

### C) POWERS FOR ALLOWING ADHOC/ EXCESS/ TOD/ DAUE

- a) The restrictions on the branches headed by Chief Managers and below as stated in circular no. BCC/BR/97/122 dated 02.05.2005 and BCC:BR:98:272 dated 23.09.2006 will continue.
- b) No adhoc/excess/DAUE is to be sanctioned in accounts rated below BOB-6 as per CRISIL rating model and accounts rated 'C' and below as per old rating model.
- c) Where adhoc Letter of Credit (DP/DA) facility is sanctioned for a certain period, no L/C is to be opened, even under the regular limit, after expiry of period of adhoc sanction, unless the adhoc L/C limit is fully adjusted.

*The period of adhoc, in case of adhoc LC limit or adhoc BG limit, refers to the period within which the adhoc LC facility / adhoc BG facility is to be utilized by the borrower.*

*The aggregate amount upto which adhoc LC / BG that may be sanctioned by any authority upto DGM is contained in point 5 (a) & (b) of table-I.*

*It should be ensured that the period of adhoc LC (i.e. usance period) or period of adhoc BG (i.e. validity including claim period) should not exceed the period of adhoc of the sanctioning authority. For e.g. Sanctioning authority of the rank of AGM can sanction adhoc LC / adhoc BG whose period does not exceed 2 months*

- d) No sanction should be made for any adhoc facility in accounts by functionaries upto and inclusive of AGMs where regular facility falls under his powers or below if the overall facility (regular plus adhoc) exceeds his discretionary lending powers for sanctioning regular facility. **Only functionaries in the rank of DGMs can exercise their powers for Adhoc sanctions in accounts sanctioned by them / the higher authorities, even though the regular limits plus adhoc amount exceeds their DLP for per party limit / group limit, subject to the maximum of their Adhoc powers.**
- e) In case an adhoc facility is granted in an account, no further adhoc shall be considered by any authority, including the authority who sanctioned the adhoc facilities, unless the existing adhoc is adjusted.
- f) In any account, adhoc facility should NOT be considered more than TWO times in a year (Apr-March), by an authority upto the level of DGM, under his powers. In case of further request for adhoc facility, reference should be made to next higher authority.

### D) DISCOUNTING/ REDISCOUNTING OF BILLS

Bank has advised specific additional powers vide Circular no BCC:BR:100:103 dated 07.04.2008 of various functionaries in the bank with regard to discounting/ purchase of bills under Prime Bank's LCs from time to time. These powers will be in addition to normal powers of concerned official. Following would be the specific additional powers of various functionaries in the bank with regard to discounting/purchase of bills under L/Cs issued by following banks:

- a) Prime Banks
- b) All Nationalised Banks
- c) SBI, Associates of SBI
- d) ICICI Bank, IDBI Bank, HDFC Bank and Axis Bank

i	Branch Manager in MMG/S-III	Up to Rs.25 lacs
ii	Branch/ Dy. Regional Manager/ Regional Head in SMG/ S-IV	Up to Rs 100 lacs
iii	Branch/ Regional Head in TEG/S-V	Up to Rs 350 lacs
iv	Branch/ Regional Head in TEG/S-VI	Up to Rs 750 lacs
v	Zonal Heads in TEG/S-VI & TEG/S-VII and Functional Heads in TEG/S-VII	Up to Rs 1000 lacs

#### E) CREDIT RATING LINKED DLP (AS CONTAINED IN DOMESTIC LOAN POLICY 2007)

Sanctioning authorities may sanction aggregate limits for exporter-borrower to the extent of 125% of the delegated powers, provided total limits sanctioned exclusively for export business such as Packing Credit, Post-Shipment Credit, etc, amount to at least 25% of the delegated powers, as hitherto.

Other than export credit proposals, all authorities upto the level of Dy. General Manager (i.e. Dy. General Manager & below) shall have discretionary lending powers as under, based on Credit Rating of the borrower, as under:-

i	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB -1, BOB -2, BOB -3) & MSME BOB 1 to MSME BOB 3	125% of normal lending powers
ii	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB-4, BOB-5 and BOB-6) & MSME BOB4 to MSME BOB6	100% of normal lending powers
iii	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB-7, BOB-8, BOB-9, BOB-10) & MSME BOB7 and below	75% of normal lending powers

*Proposal from the new borrowers (i.e. borrowers approaching Bank for the first time) may be entertained with minimum rating category of "Moderate Safety" 'BOB-6' (CRISIL Rating Model.)/ MSME BOB 6 (MSME rating model). Fresh / increase facilities to the existing borrower having credit rating below "BOB-6" to be considered on merits by sanctioning authority upto 75% of normal lending powers as stated above (No.iii).*

*As regards accounts under old credit rating model (i.e. exposure less than Rs.25 lacs) the discretionary lending powers will be 100% of normal powers for A+; A & B+ rated accounts and 75% of normal powers for accounts rated below B+.*

While exercising credit-rating-linked lending powers, the sanctioning authority should consider the rating carried out on the basis of latest audited financials. Where latest audited financials are not available, the powers shall be exercised based on the credit rating arrived at by considering last audited financials or latest unaudited financials, whichever is lower.

#### F) OTHER EXTANT GUIDELINES ON LENDING POWERS

- a) The officers/ executives who are second in line and those in-charge of credit department in all branches are authorised to grant advances against "Zero-Risk Assets" such as bank's own deposits, NSC, LIC Policies, IVPs, KVIPs, Government Securities etc upto the lending powers specified in table -I subject to reporting to branch manager under PSR system. In view of the lower level officers / executives being granted powers for such advances, it should be ensured by the branch head that four-eye principle is observed in such sanctions.
- b) Authorities below the level of Chief Managers may exercise delegated lending powers to consider credit facility against hypothecation of book debts, provided the constituents offer sufficient tangible collateral security, the value of which being at least 75 % of the advance, by way of mortgage of immovable property and/ or other securities. In case no collateral securities are offered/ available, the proposals are to be referred to Higher Authorities as hitherto

- c) In case of accounts with C rating or below, as per old rating model, falling under the normal delegated lending powers of any authority below Zonal Head, additional exposure is not to be taken by such authority. If the exposure, including the increase portion is upto Rs 25 lacs, the proposal may be considered by Zonal Head on merits.
- d) For the purpose of exercising lending powers, the tangible security (Primary as well as collateral) properly charged to the bank, is to be taken into account to decide secured and unsecured advances. Advances backed by intangible securities like guarantees, letter of comfort etc will not be considered as secured advance for exercising the powers. Further, extension of charge on current assets and second charge on fixed assets should not be considered as security for exercising powers under 'secured advance'.
- e) The sanctioning authority shall continue to exercise the powers of next higher authority for review of existing facilities with no change in terms and conditions, as per extant guidelines subject to the following: -
  - i) There is no downgrading in credit rating during the review period, and
  - ii) Latest rating is minimum "BOB-6" as per new credit rating system and B+ as per old credit rating system.

## **Annex -1**

### **Brief Details of Credit Approval Committee of Board (CACB)**

**A. Name of the Committee :** Credit Approval Committee of the Board (CACB)

**B. Members of the Committee :**

1. Chairman & Managing Director;
2. Both the Executive Directors,
3. GM (Corporate Accounts, Taxation & CFO)
4. GM (Risk Management),
5. GM (Wholesale Banking) or GM (SME) or GM (Rural & Agri Bkg) or GM (Retail Bkg) GM (Credit Monitoring) or GM (Recovery) or GM (Treasury) GM (International), depending upon the sponsor of the respective credit proposal.

**C. Powers of the Committee:**

1. The CACB shall have powers to sanction credit proposals (beyond COCC-CMD's Powers) :
  - a. Single Borrower : Upto Rs.400 crs (inclusive of FB & NFB both)
  - b. Group Borrower : Upto Rs 800.00 crs.
  - c. Unsecured advances : Upto Rs 200 crs.
  - d. Adhoc / excess upto Rs.100 crs for each single credit proposal. Power for granting adhoc/excess may be exercised by CACB in all accounts including those sanctioned by MCB. Maximum period for which adhoc / excess can be sanctioned shall be for -3- months
2. Proposals falling beyond the powers of CACB shall be considered by the MCB.
3. Compromise/Write off Proposal: The CACB shall be empowered to consider compromise/ write off proposal for total sacrifice upto Rs.4.80 crs

**D. Quorum of the Committee:** The quorum for the meeting of the CACB shall be three members in which the CMD and one of the ED shall be mandatory.

**E. Frequency of Meetings:** The committee shall meet as frequently as possible.

**F. Reporting of decisions of committee to the Board :** Credit decisions taken by CACB shall be reported to next MCB. Even though CACB, will be next higher authority committee for COCC headed by the CMD, all credit decisions of the CMD and ED headed committees shall be reported to MCB for PSR purposes.

**G. Secretary to the Committee:** The Secretary to the Board will act as Secretary to the CACB.

**H. Agenda & Travel Sheet :** The format of proposal note for putting up the proposal for consideration of CACB shall be same as in case of MCB. The proposal note shall be accompanied by the similar Travel Sheet (on yellow colored paper) as applicable in case MCB or Board proposals.

**I. Other Issues :**

- a. The proposal for sanction of credit facilities shall be recommended & sponsored by the DGMs of the respective Departments
- b. After recommendation of the DGMs, the same shall be cleared by GMs of respective Department to be placed before **Credit Risk Evaluation Committee (CREC)** (formerly known as CAC) for consideration (present procedure for CAC approval to be followed).
- c. Powers to quote/decide pricing, concessions,
  - I. In respect of MCB sanctions, presently vest with the CMD/ED. Now, same will be considered by CACB.
  - II. CMD /ED shall be empowered to take such decision on pricing concessions etc in respect of proposals sanction under CACB Powers.
  - III. In case of exigencies and in the interest of business of the Bank, CMD/ED is empowered to approve pricing, concessions in respect of MCB sanctions and same shall be reported to CACB for confirmation.
- d. Confirmation of Action : Since CACB and COCC-CMD shall have all members at the Corporate Level itself to the extent possible, credit decisions beyond the powers of the CMD headed committee shall be put to CACB for approval. However, at times when in the interest of business opportunity, immediate/faster credit decisions are required to be taken by CMD or ED, the MCB shall be empowered to confirm the actions of CMD/ED if the same falls within the delegated powers of CACB.
- e. Confirmation of action of CACB. In situations requiring urgent decisions beyond CACB's powers, the CACB may consider taking decision and the same shall be submitted for confirmation to MCB.
- f. **Advance to Senior Officer and to relatives of Senior Officers:** Advance to senior officer and to relatives of senior officers of the bank will continue to be ordinarily sanctioned by next higher sanctioning authority and the same should be reported to MCB. The term senior officer will refer to officials in Grade/Scale SM IV and above.
- g. **Loans & advances granted to Directors and relative of Director**
  - i) Loan and advances to Directors (including Chairman & Managing Director) and relatives of directors of our Bank, other banks, Scheduled

Co-operative Banks, Subsidiaries/Trustees of Mutual Funds/ Venture Capital Funds set up by the Bank/ Other Banks aggregating to Rs. 25 lacs and above are to be sanctioned by the MCB.

- ii) The proposals for credit facilities of an amount less than Rs. 25 lacs to these borrowers may be sanctioned by the appropriate authority/Credit Committee under powers vested in such authority/Committee, subject to reporting to the Board.

**h. Take Over of Loan Accounts:** As per prevalent loan policy guidelines, powers for deviation are defined at respective Executive level (now with set up of Credit Committee with respective Credit Committee headed by the respective Executive). Beyond such powers, power to consider any other deviation in the stated financial parameters rests with by MCB.

Now, deviation beyond the permitted level in the above stated financial parameters for proposal falling upto level of Committee headed by Zonal Manager/ General Manager shall be approved by the COCC-ED. Proposals falling within the powers of COCC-ED /COCC-CMD/CACB, deviation beyond the permitted level may be approved by CACB.



## Annex-2:

### Structure of Regional, Zonal and Corporate Level Credit Committees:

Name of the Committee	Corporate Office Level Credit Committee (COCC - CMD)	Corporate Office Level Credit Committee (COCC - ED-1 /ED2 /ED3)	Corporate Office Level Credit Committee (COCC – GM (Intl Div))	Zonal Level Credit Committee (ZOCC)	Regional Level Credit Committee - RM Headed (RMCC)	Regional Level Credit Committee - DRM Headed (DRMCC)
Head of the Committee	Chairman & Managing Director	Executive Director	GM (Intl Div)	Zonal Manager	Regional Manager (RM)	Dy. Regional Manager (DRM)
Members of the committee	<ol style="list-style-type: none"> <li>1. CMD</li> <li>2. ED-1 /ED-2 /ED-3 (as and when appointed) In-charge of function. In case of non-availability of respective ED, the alternate ED to be member.</li> <li>3. GM of respective Corporate Function for the concerned proposal (In case of non availability of respective GM, Alternate GM for the Function)</li> <li>4. GM (Risk Mgt) at BCC (In</li> </ol>	<ol style="list-style-type: none"> <li>1. ED-1 /ED2 /ED-3 (as and when appointed) In-charge of function. In case of non-availability of respective ED, the alternate ED to be member and to head the committee.</li> <li>2. GM of respective Corporate Function for the concerned proposal (In case of non availability of respective GM, Alternate GM for the Function)</li> <li>3. GM (Risk</li> </ol>	<ol style="list-style-type: none"> <li>1. GM (Intl Div)</li> <li>2. DGM (Intl Div)</li> <li>3. Head of Risk Mgt Function at Intl Div. BCC</li> <li>4. Head of Accounts &amp; Audit Function at Intl Div, BCC</li> <li>5. Any other Executive / Officer/s nominated by the Head of the Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Zonal Manager</li> <li>2. Dy. Zonal Head</li> <li>3. Head of Risk Management Function at ZO</li> <li>4. Head of Audit &amp; Inspection Function at ZO)</li> <li>5. Any other Executive (e.g. DGM/ AGM (RH) of local RO; DGM/ AGM/CM of local main br. /CFS/IBB/ Mid Corp Br) nominated by the Head of the Committee. However, such nominated Executive</li> </ol>	<ol style="list-style-type: none"> <li>1. RM</li> <li>2. DRM (In-charge of respective function i.e. Credit or Recovery)</li> <li>3. Head of Audit &amp; Inspection Function at Regional Office (RO)</li> <li>4. Any other Executive / Officer/s (including DGM /AGM /CM of local main br. or CFS/IBB/ Mid Corp Br) nominated by the Head of the Committee. However, such nominated Executive shall abstain from the committee</li> </ol>	<ol style="list-style-type: none"> <li>1. DRM</li> <li>2. CM/SM Head of Credit /Recovery Function (in case the credit function is maintained segment wise, with no overall head, the head of respective credit segment)</li> <li>3. Head of Audit &amp; Inspection Function at Regional Office (RO)</li> <li>4. Any other Executive / Officer/s (including AGM/CM of local main br. or CFS/IBB/ Mid Corp Br) nominated by the</li> </ol>

	<p>case, GM is not available, DGM/AGM (Risk Mgt) at BCC).</p> <p>5. GM (Corp Accounts &amp; Taxation) at BCC (In case GM is not available, DGM/ AGM (Corp. Accounts &amp; Taxation) at BCC.</p> <p>6. Any other Executives / Officer/s nominated by the Head of the Committee.</p>	<p>Mgt) at BCC (In case, GM is not available, DGM/AGM (Risk Mgt) at BCC).</p> <p>4. GM (Corp Accounts &amp; Taxation) at BCC (In case GM is not available, DGM/ AGM (Corp. Accounts &amp; Taxation) at BCC.</p> <p>5. Any other Executives / Officer/s nominated by the Head of the Committee.</p>		<p>shall abstain from the committee in case of proposals of his own Region /Branch.</p>	<p>in case of proposals of his own branch.</p>	<p>Regional Head. However, such nominated Executive shall abstain from the committee in case of proposals of his own branch.</p>
<p>Sponsor/ Presenter /Recommender of the Proposal</p>	<p>DGM/AGM of the respective function.</p>	<p>DGM/AGM of the respective function.</p>	<p>AGM /CM (Intl Div)</p>	<p>AGM/CM In-charge of respective Function (Credit /Recovery) at ZO.</p>	<p>CM/SM Head of respective Function (Credit /Recovery) at RO.</p>	<p>Sr. Manager /Manager of respective Function (Credit /Recovery) at RO.</p>
<p>Quorum of the committee</p>	<p>-4- Including CMD, ED (In-charge of respective function for which proposal is considered), GM of respective Corporate Function for the concerned proposal</p>	<p>-4- Including ED (In-charge of respective function for which proposal is considered), GM of respective Corporate Function for the concerned proposal</p>	<p>-3- Including GM and DGM (Intl Div)</p>	<p>-3- Including ZM and DZH. In case of non availability of DZH, DGM/AGM (RH) of local RO or DGM/AGM /CM of local Main Br./CFS/IB B/Mid Corp Br as nominated by ZH.</p>	<p>-3- Including RM and DRM In case of non availability of DRM, DGM/AGM/ CM of local Main Br./CFS/IB B/Mid Corp Br as nominated by RH.</p>	<p>-3- Including DRM and Head of the respective Function (Credit /Recovery) at RO as per matter under consideration.</p>

Delegated Powers	To remain same as presently delegated at the level of CMD.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.	To remain same as presently delegated at the level of ED.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.	To remain same as presently delegated at the level of Corporate GM.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.	To remain same as presently delegated at the substantive G/Scale of the ZM.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.	To remain same as presently delegated at the substantive G/Scale of the RM.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.	To remain same as presently delegated at the substantive G/Scale of the DRM.  Proposals beyond such delegated powers to be referred to next higher Credit Committee with recommendations /observations  Details as per Annex-3.
Frequency of Meetings	Once in a week. If needed, the committee may meet more than once a week also.	Once in a week. If needed, the committee may meet more than once a week also.	Once in a week. If needed, the committee may meet more than once a week also.	Once in week on fixed day every week i.e. Monday or previous working day in case the fixed day is holiday. If needed, meetings may be held more than once a week also.	Once in week on fixed day every week i.e. Saturday or previous working day in case the fixed day is holiday. If needed, meetings may be held more than once a week also.	Once in week on fixed day every week i.e. Saturday or previous working day in case the fixed day is holiday. If needed, meetings may be held more than once a week also.
Secretary to the Committee	Executive Secretary of the CMD	Secretary of the respective ED	Secretary of GM (Intl)	In-charge of the Credit Function at ZO	In-charge of the Credit Function at RO	In-charge of the Credit Function at RO
Reporting of minutes	Minutes of the meeting with copy of Resolutions to be sent to the MCB for Post Sanction	Minutes of the meeting with copy of Resolutions to be sent to the MCB for Post Sanction	Minutes of the meetings with copy of Resolutions to be sent to the COCC headed by	Minutes of the meeting with copy of Resolutions to be sent to next higher Credit Committee (COCC)	Minutes of the meeting with copy of Resolutions to be sent to next higher Credit Committee (ZOCC) for	Minutes of the meeting with copy of Resolutions to be sent to next higher Credit Committee (ROCC)

	Reporting.	Reporting.	ED (In-charge of Intl Div) for Post Sanction Reporting.	headed by ED (In-charge of respective function) for Post Sanction Reporting.	Post Sanction Reporting .	headed by RM for Post Sanction Reporting .
Agenda & Travel Sheet	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).	The proposal note shall be accompanied by Draft Resolution and the travel sheet (sky blue in colour).

**Annex-3: Delegated Powers for Regional /Zonal / Corporate Level Credit Committees:**  
(Rs. in crores)

SL. NO.	Particulars	Corporate Office Level Committee headed by CMD	Corporate Office Level Committee headed by ED	Corporate Office Level Committee headed by GM (Intl Div.)	Zonal Committee headed by GM *	Regional Level Committee headed by RM in SMGS-VI	Regional Level Committee headed by RM /DRM in SMGS-V	Regional Level Committee headed by DRM in SMGS-IV
1	<b>Aggregate Group Limit</b>	200.00	150.00	75.00	60.00	30.00	18.00	6.00
2	<b>Aggregate per party Limits</b> (Funded & Non-Funded) for exercising credit rating linked DLP as per Domestic Loan Policy (incl Central PSU Borrowers)	100.00	75.00	37.50	30.00	15.00	9.00	3.00
	Proviso: Unsecured advances ( including unsecured portion of Adhoc / Excess / TOD	50.00	37.50	18.75	15.00	3.00	1.50	0.50
3	<b>CAP PER YEAR (FOR FRESH AND INCREASE IN EXISTING LIMITS)</b>							
A	Group limit					30 times of Group Limit		25 times of Group Limit
B	Per party limit					30 times of per party limit		25 times of per party limit
4	Advance against approved shares and debentures to individual borrowers and brokers (Subject to RBI guidelines)					Powers subject to the cap for maximum amount as per RBI's and our Bank's guidelines.		
5 A	**Adhoc / Excess over sanctioned limits / DAUE in accounts with min. BOB-6/MSME BOB6 rating (B+ as per old rating model).	25.00	18.75		6.00	4.00	3.00	0.75

B	Adhoc / Excess / DAUE in accounts (B only as per old rating model) These will be applicable only for accounts having exposure below Rs.25/- lacs					0.0625 (i.e. 25% of Rs.25 lacs/- (max exposure in accounts under old rating model)	0.0625 (i.e. 25% of Rs.25 lacs/- (max exposure in accounts under old rating model)	0.0625 (i.e. 25% of Rs.25 lacs/- (max exposure in accounts under old rating model)
	Maximum period for Adhoc sanctions					3 months	3 months	2 months
6 a	DAUE in current account against cheques issued by Govt. Dept. / Central PSUs or DD / Banker's Cheques Issued by PSBs / Reputed Private Sector Banks / Foreign Banks					2.00	1.50	0.50
6 b	Temp. Overdraft (TOD) with a maximum period of 15 days / DAUE in current A/Cs when instruments are other than those mentioned in 6 (a) above.					1.50	0.75	0.20
7	Advance against Bank's own Deposits, Guarantee and/or L/C with 100 % cash margin or fully backed by counter guarantee of other banks.	Full powers	Full powers	Full powers	Full powers	Full power	Full powers	2.50
8	Powers for sacrifice in compromised settlements (waiver + write-off)	1.20	0.90	0.50	0.45	0.35	0.25	0.20
9	Powers for final write-off :							
	- For accounts having outstanding balance in GL	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	0.1250	0.1250 (RM Headed) 0.06 (DRM Headed)	Nil
	- For PWO accounts	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	Upto delegated powers of sacrifice	0.20	0.20 (RM Headed) 0.1250 (RM Headed)	Nil

\* In case, any Zone is headed by an Executive in Gr./scale of DGM, the Credit Committee headed by him shall exercise powers equivalent to lending, compromise, write-off powers hitherto delegated at the level of DGM.

\*\*All accounts with exposure of Rs.25 lacs and above have to be rated under CRISIL RAM / MSME rating model as applicable, powers contained in 5(a) will be applicable for accounts under CRISIL RAM / MSME rating with minimum acceptable rating of BOB-6 / MSME BOB 6. These powers will also be applicable for accounts having exposure of less than Rs.25 lacs with minimum rating of B+.

#### Notes :

- **No FINAL WRITE OFF will be considered at committees at branch level headed by Chief Manager and below except by way of compromise within delegated powers of compromise sacrifice/ write off on merits as per extant guidelines.**
- Where frauds are reported in advance accounts and complaints are lodged with CBI /Police authorities and criminal investigations / proceedings are initiated by such authorities, No final write off will be considered except with authority of Management Committee (Board), pending action by outside investigation agencies.
- Group borrowers will be considered based on guidelines in Domestic Loan Policy
- The lending powers are inclusive of funded and non-funded exposure without any bifurcation.
- Amount indicated in unsecured advances is out of per party limit (i.e. within per party limit) and includes both fund based and non fund based limits.
- Powers for granting Adhoc limits / Excess over limits may be exercised in all accounts including those sanctioned by MCB by DGM headed RM level committee or above.
- Powers for TOD is for -15- days only.
- The following class of advances shall not be reckoned for the purpose of computation of above annual ceiling: -
  - Advances to staff members under specific schemes for bank's staff only.
  - Advances against Bank's own deposits and against specific securities viz., NSCs / KVPs / LIC policies etc
  - Advances under various Government sponsored schemes and to weaker sections.
  - Review of advances accounts without any increase.
  - In case of Review with increase, the existing limits will be excluded and only incremental portion will be taken into account.
- Advance against bank's own deposits, guarantees and /or letter of credit with 100% cash margin or fully backed by counter guarantee of other banks
  - a) All functionaries to meticulously comply with extant RBI's / Bank's internal guidelines and ensure availability of 100% cash margin upfront, before issuance of Bank Guarantees (BG) / Standby Letter of Credit (LC) while exercising the discretionary lending powers for issuing BG or LC backed by 100% cash margin. Inoperative guarantees also cannot be issued before recovery of full cash margin upfront.
  - b) Committees Regional Level (headed by DGM) or above may exercise the powers for LC and Guarantees under serial no. 7 in the table-I only against fully backed counter guarantees of the following banks:
    - i. All Nationalised Banks
    - ii. SBI & Associates of SBI
    - iii. ICICI Bank, IDBI Bank, HDFC Bank & Axis Bank

In respect of other cases, proposals are to be referred to their Zonal Level Committee headed by General Managers upto its DLP and beyond the DLP of Zonal Credit Committee, to Corporate Office level Credit Committee, for consideration on merits.

➤ **Powers for allowing adhoc/ excess/ TOD/ DAUE**

- a. No adhoc/excess/DAUE is to be sanctioned in accounts rated below BOB-6 as per CRISIL rating model and accounts rated 'C' and below as per old rating model.
- b. Where adhoc Letter of Credit (DP/DA) facility is sanctioned for a certain period, no L/C is to be opened, even under the regular limit, after expiry of period of adhoc sanction, unless the adhoc L/C limit is fully adjusted.
- c. The period of adhoc, in case of adhoc LC limit or adhoc BG limit, refers to the period within which the adhoc LC facility / adhoc BG facility is to be utilized by the borrower.
- d. The aggregate amount upto which adhoc LC / BG that may be sanctioned by Credit Committee headed by executives upto DGM is contained in point 5 (a) & (b) of table-I.
- e. It should be ensured that the period of adhoc LC (i.e. usance period) or period of adhoc BG (i.e. validity including claim period) should not exceed the period of adhoc of the sanctioning authority.
- f. No sanction should be made for any adhoc facility in accounts by committees headed by executives upto and inclusive of AGMs where regular facility falls under its powers or below if the overall facility (regular plus adhoc) exceeds its discretionary lending powers for sanctioning regular facility. Only committees headed by functionaries in the rank of DGMs can exercise their powers for Adhoc sanctions in accounts sanctioned by them / the higher authorities, even though the regular limits plus adhoc amount exceeds their DLP for per party limit / group limit, subject to the maximum of their Adhoc powers.
- g. Adhoc : No adhoc should be considered in any account for a period of 12 months from the first date of sanction. However, in case of genuine need during first 12 months, the matter may be referred to the next higher authority for the decision.
- h. Adhoc : No adhoc facility should be considered where regular credit proposal is under consideration within own/next higher authority's DLP.
- i. In any account, adhoc facility should NOT be considered more than TWO times in a year (Apr-March), by any committee headed by Executive upto the level of DGM, under its powers. In case of further request for adhoc facility, reference should be made to next higher authority.
- j. In case an adhoc facility is granted in an account, no further adhoc shall be considered by any authority including the authority who sanctioned the adhoc facilities, unless the existing adhoc is adjusted.
- k. Adhoc can be considered only in accounts where all the sanction terms & conditions have been complied with and there are no other irregularities.
- l. All adhoc sanctions are to be made with proper assessment and preparation of credit proposal and to be disbursed with due execution of documents, charging of securities, registration of charges, recovery of processing charges and to be placed for PSR.
- m. Authorities upto SMG-IV can allow adhoc in an account upto a maximum of 25% of the fund based working capital limits (excluding DA LC Limit), subject to the maximum of their DLP for allowing adhoc whichever is lower. Authorities/committees headed by SMG-V or above may allow adhoc upto their full respective DLPs.
- n. Adhoc /Excess should not be considered in an account where there are frequent cheque returns both inward and outward and accounts are rated less than BoB6 (i.e. BOB7 to BOB10).



- o. Excess should not be granted in regular manner but for valid reasons subject to a ceiling of 3 times in a year;
- p. Excess should not be allowed in new accounts where the facility is sanctioned within a period of 12 months.
- q. Authorities upto SMG-IV can allow an excess in an account upto a maximum of 25% of the fund based working capital limits, subject to the maximum of their DLP for allowing excess.
- r. Excess as above can be allowed in all accounts, inclusive of that sanctioned by the higher authorities.
- s. Wherever such excess allowed is not adjusted within 15 days, the same is to be reported in monthly statement of Excess submitted to Controlling Office.
- t. No separate processing charges for Excess allowed.
- u. Additional interest @2% is be charged for Adhoc /excess allowed over the limit / drawing power.

➤ **Discounting/ Rediscounting of Bills (Reference to circular No BCC:BR:103:90 dated 11.04.2011 and BCC:BR:102/13 dated 06.01.2010) :**

Specific additional powers as mentioned below with regard to discounting/ purchase of bills under Prime Bank's LCs issued by following banks will be in addition to normal powers of concerned Committees under L/Cs:

- a) Prime Banks
- b) All Nationalised Banks
- c) SBI, Associates of SBI
- d) ICICI Bank, IDBI Bank, HDFC Bank and Axis Bank

1	Branch Manager in MM G/S III	Upto Rs.0.50 crs
2	Branch Manager in SM G/S IV / Credit Committee headed by DRM in SMG/ S-IV	Up to Rs 3.00 crs
3	Branch Manager in SM G/S V / Credit Committee headed by RM / DRM in SMG/ S-V	Up to Rs 10.00 crs
4	Branch Manager in SM G/S VI / Credit Committee headed by RM/ZM in SMG/ S-VI	Up to Rs 15.00 crs
5	Credit Committee headed by ZM in TE G/S-VII	Up to Rs 25.00 crs
6	Credit Committee headed by GM (Intl Division) in TE G/S VII	Up to Rs 35.00 crs

➤ **Credit rating linked DLP (as contained in Domestic Loan Policy)**

The committees headed by GM and above may sanction aggregate limits for exporter-borrower to the extent of 125% of the delegated powers, exclusively for export business such as Packing Credit, Post-Shipment Credit etc as per extant guidelines. All other committees and authorities may sanction aggregate limits for exporter-borrower to the extent of 125% of the delegated powers, provided total limits sanctioned exclusively for export business such as Packing Credit, Post-Shipment Credit, etc, amounts to at least 25% of the delegated powers, as hitherto.

Other than export credit proposals, credit committees headed by executives upto the level of Dy. General Manager (i.e. Dy. General Manager & below) shall have discretionary lending powers as under, based on Credit Rating of the borrower, as under:-

i	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB -1, BOB -2, BOB -3) & MSME BOB 1 to MSME BOB 3	125% of normal lending powers
ii	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB-4, BOB-5 and BOB-6) & MSME BOB4 to MSME BOB6	100% of normal lending powers
iii	Latest Credit Rating as per CRISIL Model & MSME Model (Not more than one year old) BOB-7, BOB-8, BOB-9, BOB-10) & MSME BOB7 and below	75% of normal lending powers

Proposal from the new borrowers (i.e. borrowers approaching Bank for the first time) may be entertained with minimum rating category of "Moderate Safety" 'BOB-6' (CRISIL Rating Model.)/ MSME BOB 6 (MSME rating model). Fresh /increase facilities to the existing borrower having credit rating below "BOB-6" to be considered on merits by sanctioning authority upto 75% of normal lending powers as stated above (No.iii).

As regards accounts under old credit rating model (i.e. exposure less than Rs.25 lacs) the discretionary lending powers will be 100% of normal powers for A+; A & B+ rated accounts and 75% of normal powers for accounts rated below B+.

While exercising credit-rating-linked lending powers, the sanctioning authority should consider the rating carried out on the basis of latest audited financials. Where latest audited financials are not available, the powers shall be exercised based on the credit rating arrived at by considering last audited financials or latest unaudited financials, whichever is lower.

➤ **Other extant guidelines on lending powers :**

- a) The officers/ executives who are second in line and that in-charge of credit department in all branches are authorised to grant advances against "Zero-Risk Assets" such as bank's own deposits, NSC, LIC Policies, IVPs, KVIPs, Government Securities etc upto the lending powers specified in table -I subject to reporting to branch manager under PSR system. In view of the lower level officers / executives being granted powers for such advances, it should be ensured by the branch head that four-eye principle is observed in such sanctions.
- b) Authorities below the level of Chief Managers may exercise delegated lending powers to consider credit facility against hypothecation of book debts, provided the constituents offer sufficient tangible collateral security, the value of which being at least 75 % of the advance, by way of mortgage of immoveable property and/ or other securities. In case no collateral securities are offered/ available, the proposals are to be referred to Higher Authorities as hitherto
- c) In case of accounts with C rating or below, as per old rating model, falling under the normal delegated lending powers of any authority/committee below the one headed by Zonal Head, additional exposure is not to be taken by such authority. If the exposure, including the increase portion is upto Rs 25 lacs, the proposal may be considered by Zonal Level Committee on merits.
- d) For the purpose of exercising lending powers, the tangible security (Primary as well as collateral) properly charged to the bank, is to be taken into account to decide secured and unsecured advances. Advances backed by intangible securities like guarantees, letter of comfort etc will not be considered as secured advance for exercising the powers. Further, extension of charge on current assets and second charge on fixed assets should not be considered as security for exercising powers under 'secured advance'.

- e) The sanctioning authority upto the level of Regional Level Credit Committees headed by RM (RMCC) shall continue to exercise the powers of next higher authority for review of existing facilities with no change in terms and conditions, as per extant guidelines subject to the following: -
  - i) There is no downgrading in credit rating during the review period, and
  - ii) Latest rating is minimum "BOB-6" as per new credit rating system and B+ as per old credit rating system.

ZOCC shall not exercise powers of COCC-ED.

## Annex-4: Structure of Settlement Advisory Committees (SACs)

### Corporate /Zonal /Regional level Settlement Advisory Committees:

The broad constitution/structure of Settlement Advisory Committees functioning at Corporate / Zonal /Regional level will be as under. The structure of Branch level SAC shall continue to be same as defined in Recovery Policy:

For smooth functioning, it is intended to have committees with strength of four members and in case strength is falling short OR exceeding, the Committee Head is empowered to nominate/ exclude suitably within the suggested frame. However, whose presence is necessary for Quorum or as Convener will not be modified.

#### 1. Corporate Office Level Settlement Advisory Committee (COSAC)

Constitution of COSAC	Quorum	Convener /Sponsor
<b>1.1 For sanction by MCB</b>		
General Managers at BCC in charge of: 1. Wholesale Banking 2. International 3. SME & Wealth Management 4. Retail Banking 5. Rural & Agri Business 6. Credit Monitoring	GM (Recovery) and Any other two members of SAC	GM (Recovery)
<b>1.2 For sanction by CACB, COCC-CMD and COCC-ED</b>		
General Managers at BCC in charge of: 1. Wholesale Banking 2. International 3. SME & Wealth Management 4. Retail Banking 5. Rural & Agri Business 6. Credit Monitoring	DGM (Recovery) and Any other two members of SAC	Dy. General Manager (Recovery)
<b>1.3 For sanction by COCC- GM (Intl Div)</b>		
1. DGM (Recovery) at BCC 2. DGM (Wholesale Banking) at BCC 3. DGM (SME) at BCC 4. DGM (Retail Banking) at BCC 5. DGM (Rural & Agri Bkg) 6. DGM (Credit Monitoring) 7. AGM (Intl. Div)	DGM (Recovery) and AGM (Intl. Div) and any one other member of SAC	AGM/CM at Intl Div. handling recovery matters.

#### 2. Zonal Head Level Settlement Advisory Committee (ZOSAC)

Constitution of ZOSAC	Quorum	Convener /Sponsor
<b>2.1 For Sanction by Corporate Office Level Committees</b>		
Zonal Head Dy. Zonal Head All Asstt. Gen. Managers posted at Zonal Office and CM (in charge of Recovery Dep't at Zonal	Zonal Head AGM / CM (in charge of Recovery Dept. at Zonal Office) and any one other	AGM /CM (in charge of Recovery Dept. at Zonal Office)

Office <u>AND</u> Regional Head/s & Dy. Regional Head (scale V & above) posted in the Region Office stationed in city at Zonal Head Quarter (RM/DRM to abstain for proposals of their Region)	members of SAC	
<b>2.2 For Sanction by ZOCC</b>		
DY Zonal Head All Asstt. Gen. Managers posted at Zonal Office and CM (in charge of Recovery Dep't at Zonal Office <u>AND</u> Regional Head/s & Dy. Regional Head (scale V & above)) posted in the Region stationed in city at Zonal Head Quarter (RM/DRM to abstain for proposals of their Region)	Dy Zonal Head AGM /CM (in charge of Recovery Dept. at Zonal Office) and any one other members of SAC	AGM /CM (in charge of Recovery Dept. at Zonal Office)

### 3. Regional Head Level Settlement Advisory Committee (RMSAC)

Constitution of RMSAC	Quorum	Convener /Sponsor
<b>3.1 For sanction at ZOCC</b>		
RM DRMs Asstt. Gen. Managers & Chief Managers at Regional Office. <u>AND</u> AGM/CM (Branch Head) of Local Main branch/CFS/IBB/Mid Corp. Br. as may be nominated by Head of Committee. However he should abstain himself in respect of his own branch proposals.	RM DRM in charge of Recovery at Regional Office and any one other members of SAC	CM /SM in charge of Recovery at Regional Office.
<b>3.2 For sanction by RMCC :</b>		
DRMs Asstt. Gen. Managers & Chief Managers at Regional Office. <u>AND</u> AGM/CM (Branch Head) of Local Main Br. /CFS/IBB/Mid Corp Br. as may be nominated by Head of Committee. However he should abstain himself in respect of his own branch proposals.	DRM in charge of Recovery at Regional Office and any other one member of SAC	CM /SM in charge of Recovery at Regional Office.

### 4. Dy. Regional Head Level Settlement Advisory Committee (DRMSAC)

Constitution of DRMSAC	Quorum	Convener /Sponsor
<b>For sanction by DRM CC :</b>		
Asstt. Gen. Managers, Chief Managers and Senior Managers posted at Regional office <u>AND</u> AGM/CM (Branch Head) of Local Main Br./CFS/IBB/Mid Corp Br. as may be nominated by Head of Committee. However he should abstain himself in respect of his own branch proposals.	Chief/Senior Manager (Recovery) at Regional Office. and any other one member of SAC	Chief/ Senior Manager in charge of Recovery at Regional Office.

## Annex-5

### **Process flow for proceeding of the committees :**

The Secretary of the Committee plays a pivotal role in facilitating smooth conduct of proceedings of a committee. The process flow /job role of the Secretary is outlined below in brief:

1. Maintain a register/ record of members of the committee with particulars of the members, date of induction, date of exit;
2. Notification of the composition /any change in composition of members of the committee to all concerned;
3. Fixing up the committee meetings (date, time and venue) and notification of schedule of meeting/s of the committee to the members and all concerned;
4. Receive agenda items with respective papers /proposals alongwith travel sheet and the draft Resolution expected to be passed in the committee from all concerned /sponsor for the committee meeting;
5. Circulate the agenda with supporting papers /proposal to all the committee members well in advance allowing sufficient time to members to peruse the same.
6. Convene the meeting of the committee and record presence of the committee members in attendance register /sheet;
7. Check and ensure the quorum for the meeting;
8. Record the minutes of the meeting and decisions taken /observation made in the meeting for follow-up action if any. Record passing of Resolution as per draft or with modifications if any.
9. Provide copy of the minutes /resolution to the members for their confirmation of the same;
10. Provide copy of the approved resolution to the respective sponsor alongwith copy of follow-up action points if any.
11. Forward minutes of the meeting of committee to next higher level Credit Committee for reporting purpose;
12. Forward decisions of the committee to next higher authority for PSR noting;
13. Follow up and obtain 'Action Taken Report' (ATR) from the respective sponsor /concerned deptt. The ATR to be placed in the next committee meeting and satisfactory closure of the same to be recorded. ATR shall continue to be outstanding till it is satisfactorily closed at the meeting.
14. Follow up for receipt of confirmation/ comments of minutes from the next higher Credit Committee.
15. The respective sponsor shall keep track and follow up actions in respect of PSR noting of the committee decision by the next higher authority.