


<p><b>कार्पोरेशन बैंक</b> ( सार्वजनिक क्षेत्र का अग्रणी बैंक ) प्रधान कार्यालय, डा पे सं. 88 मंगलूर - 575 001</p>	 e-CIRCULAR	<p><b>Corporation Bank</b> ( A Premier Public Sector Bank ) Head Office, PB No.88, Mangalore – 575 001</p>
<p><b>Credit Division</b> [Credit Policy &amp; Planning Section] Email : CPMS@corpbank.co.in</p>		
HO Circular No. 292/2013	Index No. 11.00/22/2013	31-May-2013

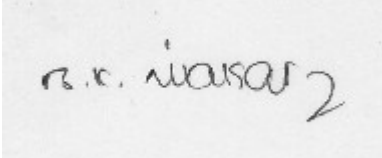
**TO ALL THE BRANCHES / OFFICES**

**Subject : OBSERVATIONS BY THE AUDIT COMMITTEE OF THE BOARD ON CREDIT MONITORING OF BORROWAL ACCOUNTS**

**HIGHLIGHTS**

**Effective Credit monitoring is essential to ensure the healthy credit portfolio. Branches need to strictly adhere to the norms / guidelines while releasing the credit limits and ensure the end use.**

1. The Audit Committee of the Board while discussing the Audited Financial Results of the Bank for the year ended 31.03.2013, interalia, observed the following lapses on the part of branches in monitoring the borrowal accounts.
  - Non recovery of additional Margin requirement arising out of increase in exchange rate in respect of Foreign currency Loans.
  - Acceptance of drawing power as indicated by the leader in case of consortium advances without any independent checking.
  - Lack of monitoring of restructured accounts.
  - Release of Credit facilities without ensuring end use.
2. Proper Credit appraisal and effective monitoring of borrowal accounts is essential to ensure the healthy credit portfolio. Therefore, branches are advised to strictly adhere to all the norms / guidelines while sanctioning credit proposals as well as monitoring the borrowal accounts. Any lapses on the part of branches shall be viewed seriously.
3. All our Branches and other Offices are advised to note the above for information.



**[ B K DIVAKARA ]  
GENERAL MANAGER**

**Note:** Hindi version of the Circular follows.