

First clear the ground: Case Study on Pre-Sanction

Pre-sanction Credit Process is one of the most important tools to ensure the quality of an asset in future. Selection of a good quality asset depends on many factors, however the integrity and sincerity of the promoters should be placed at the top.

The case study, “First clear the ground”, discusses about prima-facie acceptability of a project and dilemma faced by a young and enthusiastic bank officer aspiring for taking his branch to new heights. He has to take a decision either to reject the (so-called) lucrative proposal, at the pre-sanction stage, given certain favour sought by the applicants, before actual taking-off of the project, or accept it for processing in the light of the regular follow-up by senior authorities for early sanction of the proposal.

One cannot overlook bank's and to that matter RBI's and Govt's instructions/ regulations for healthy and sustainable credit growth. Also, the case study gives the message that corporate values, adopted by institutions for meeting twin objectives of earning the trust and confidence of the public and establishing a corruption free society, should never be compromised and no one should ever deviate from the ethical path set by the society and institution, both in personal as well as professional life.