

**CIRCULAR No.906(B)**

Sub: Limit of accommodation – sanction  
of loan pending clearance of SIDBI.

Ref: Circular No.906 (A) dated 04.08.2010.

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As you are aware, vide above referred circular, all the BMs and HODs at HO were advised that in respect of loan proposals which required approval of SIDBI under Sec.26 of SFCs Act, such loan proposals may be placed before the sanctioning authority for sanction. After sanction of the loan, a letter shall be addressed to SIDBI for its clearance and only after receipt of clearance from SIDBI, the release be effected.

In this regard, a note was placed before the Board in its meeting held on 30.09.2010 for ratifying the action taken by CMD / EC. While ratifying the action taken by CMD/EC, the Board agreed for the following arrangements for sanction / disbursement of the loans which requires approval of SIDBI under Sec.26 of SFCs Act:

Corporation may sanction loans which fall under clause of limit of accommodation as per its lending policy / norms. However, the disbursement of the sanctioned amount may be done only after submission of the proposal in the prescribed format to SIDBI. Ordinarily, these proposals will be cleared immediately. However, the waiting period will be 07 days. In the event, SIDBI does not communicate any objection to the proposal within 07 working days, the loan amount may be disbursed.

However, BMs / HODs at HO shall follow up their proposals with SIDBI and ensure that clearances are obtained at the earliest.

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

Sd/-

**CHAIRMAN & MANAGING DIRECTOR**

To:

All BMs / FO, Yadgir  
All ZMs / DGM of Super 'A' Branch / IA cells  
All Principal Officers / Section Heads in HO  
All General Managers  
Library

Executive Directors - for information