

CIRCULAR No.878(A)

Sub: Financing of stone crushing units.

Ref: Circular No.878 dated 01.10.2009.

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As per the paper notification issued by Karnataka State Pollution Control Board in 'Samyuktha Karnataka' on 01.10.2009, it was decided to put a temporary ban on financing of stone crushing units till the State Government identifies safer zones for establishing the new / expansion of existing jelly crusher units. Hence, vide circular no.878 dated 01.10.2009 all the BMs and HODs at HO were advised not to entertain any loan proposal from stone crushing units till further instructions.

As per the letter dated 06.04.2010 issued to all the Deputy Commissioners by the Secretary to Government, Commerce and Industries Department, it is apparent that the State Government is yet to identify the 'Safer Zones'. Further, only if certain conditions are relaxed, then only the 'Safer Zone' can be identified. Accordingly, the I&C department after obtaining the State Cabinet approval, is reported to have taken action to approach Hon'ble Supreme Court for relaxing certain guidelines.

Meanwhile, many of the existing good customers are approaching the Corporation for additional loan requirements. Since the stone crushing activity is an important activity linked to the development of infrastructure and as the State Government is yet to identify the safer zones, it is decided to consider the loan proposals from the existing stone crushing units with

good track record and which are backed by 100% collateral security in the form of immovable property / FD / NSC / LIC surrender value. However, the prior approval of the concerned GMs shall be obtained before accepting the applications.

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

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Executive Directors - for information