

**CIRCULAR No.931**

Sub: Enhancement of Limit of Accommodation.

Ref: Circular No.902 dated 20.04.2010.

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As you are aware, SIDBI has been according approval to SFCs on case to case basis in respect of proposals exceeding the limit of accommodation beyond ₹ 10.00 crore and upto ₹ 20.00 crore in the case of a Corporation or a Company or a Co-operative Society and beyond ₹ 2.00 crore and upto ₹ 8.00 crore in respect of any other case in terms of provisions of Section 26(i) and 26(ii) of SFCs Act 1951 respectively.

Now, a circular No.FI No.07/2010-11 dated 01.03.2011 received from SIDBI is enclosed to this circular for ready reference. As per this, the SFCs are now permitted in terms of proviso to Section 26(ii) of SFCs Act to provide assistance to individual units upto ₹ 4.00 crore in case of proprietorship / partnership / trust etc., without prior approval of SIDBI. However, the SFCs shall approach SIDBI for permission only in respect of such cases, where the aggregate outstanding exceeds ₹ 4.00 crore. Further, it is stated that the approval to exceed the limit of accommodation would be granted by SIDBI subject to the condition:- the refinance subject to eligibility, in such cases, will however be restricted to ₹ 2.00 crore irrespective of the loan amount sanctioned by SFCs within the provision of SFCs Act.

In respect of a Corporation or a Company or a Co-operative Society the guidelines pertaining to limit of accommodation as mentioned in Circular No.902 dated 20.04.2010 remains unaltered.

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

Sd/-  
**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.