



Ref.No.KSFC/HO/CMD/ED(F)/256/2010-11

Date : 01.06.2010

CIRCULAR No.906

**Sub: Limit of accommodation – Disbursement of loan
pending clearance from SIDBI.**

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The Board in its meeting held on 24.05.2010 noted that limit of accommodation is a statutory requirement under Section 26 of the SFCs Act. Therefore, the provisions shall be complied with and projects that require the approval of SIDBI shall be sent to SIDBI in the prescribed format at the stage of appraisal itself and together with the approval of SIDBI, the appraisal memorandum shall be submitted to the sanctioning authority. Hence, the present system of sanctioning the loan assistance even before SIDBI's approval is in contravention with the statutory provisions and therefore shall be stopped forthwith. However, SIDBI should be requested to clear these proposals at the earliest.

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

Sd/-
CHAIRMAN & MANAGING DIRECTOR

To:

All BMs
All ZMs / DGMs of Super 'A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library

Executive Directors - for information.