

**No.13/1/2006-BO.1
Government of India
Ministry of Finance
Department of Financial Services**

Jeevan Deep Building'
New Delhi, dated the 31 January, 2012

The Chairmen & Managing Directors
All Nationalised Banks

Sir,

Subject: Gazette Notification dated 5th December, 2011 – Constitution of Credit Approval Committee of the Board.

This has reference to Government of India Gazette Notification No. 13/1/2006 dated 5th December, 2011 amending the Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970/1980 relating to constitution of Credit Approval Committee of the Board.

2. References have been received in this Department seeking clarifications relating to powers and composition of the Credit Committee. These issues are clarified as under:-

(i) The Credit Approval Committee shall exercise such powers of the Board with regard to each credit proposals upto Rs.400 crore in Category-A Banks(those with a business of Rs.3 lac crore or more) and upto Rs.250 crore in other Nationalised Banks. These powers are applicable to any single proposal placed before the CAC, irrespective of group or individual exposure and such;

(ii) In case different General Managers are dealing with credit proposals, the General Manager concerned shall be a member of the Committee for the respective proposal.

(iii) Proposal may be placed before the Board of Directors to delegate the powers in respect of following items on the Credit Approval Committee which are presently vested in the Management Committee:-

- a) Sanctioning of credit proposals(funded and non-funded);
- b) Loan Compromise/write off proposals;

Yours faithfully,



(Sreya Guha)
Director (BO1)