

RBI/2006-2007/440

RPCD.CO No.RRB.BC.104/03.05.34/2006-07

June 19, 2007

**The Chairmen  
All Regional Rural Banks**

Dear Sir,

**RRBs - Participation in consortium lending**

With a view to providing more business avenues and opportunities to RRBs for lending, it has been decided to permit them to participate in consortium lending, within the extant exposure limits, with their sponsor banks as also with other public sector banks and developmental financial institutions (DFIs), subject to the condition that the project to be financed is in the area of operation of the RRB concerned and guidance and appraisal of the project is provided by their sponsor bank.

2. Please acknowledge receipt to our respective Regional Office.

Yours faithfully,

(C.S.Murthy)  
Chief General Manager-in-Charge