

**RBI/2007-2008/92
DNBS.PD/ CC 104 / 03.10.042 /2007-08**

July 11, 2007

The Chairman/CEO

1. All Deposit taking NBFCs with deposit size of Rs 20 crore and above
2. All non-deposit taking NBFCs with asset size of Rs 100 crore and above (NBFC-ND-SI).

Dear Sir,

Guidelines on Corporate Governance

Please refer to our circular DNBS.PD/ C.C. 94 / 03.10.042 /2006-07 dated May 8, 2007 on the captioned subject. The Bank has received suggestions with reference to paragraph 2(vi) of the circular containing instructions on connected lending.

2. The suggestions are being studied and the instructions contained in paragraph 2 (vi) of the circular will become operational after final evaluation of the suggestions and modifications, if any considered necessary. All other instructions issued vide, Company Circular dated May 8, 2007 may be complied meticulously.

Yours faithfully,

(P. Krishnamurthy)
Chief General Manager In-Charge