

RBI/2004-05/482

RPCD.CO.RF.BC.No.103/07.37.02/2004-05

May 30, 2005

All State/District Central Co-operative Banks and  
Regional Rural Banks

Dear Sir,

**Inter Branch Adjustment Accounts- Provisioning for Net Debit Balances**

Please refer to our circular RPCD.RF.BC.No 59/07.37.02/2003-04 RBI/2004/26 dated January 05, 2004 on the above subject. As advised therein, all state/central co-operative banks and regional rural banks have were required to segregate all the debit and credit entries in inter branch account pertaining to period up to March 31, 2001 outstanding as on March 31, 2004 and arrive at a net position. They were also required to make graded provisioning thereagainst in such a way that full provisioning would be made by the year ending March 2006.

2. As regards fresh entries that might originate on or after April 1, 2004, we advise that net debit position will attract 100 per cent provisioning in respect of those entries that remain outstanding for more than six months.
3. The contents of this circular may be placed before the board of your bank.
4. Please acknowledge receipt to our concerned Regional Office.

Yours faithfully,

**(Molina Chowdhury)**  
**Deputy General Manager**