

May 29, 2006

The Chairmen/Chief Executives of
All Commercial Banks
(excluding RRBs)

Dear Sir,

Disclosure in Balance Sheets – Provisions and Contingencies

In order to increase transparency, Reserve Bank of India has from time to time issued circulars to banks requiring disclosures in the Notes on Account to their Balance Sheets. These instructions were consolidated in the master circular DBOD.No.BP.BC.59/21.04.018/2005-06 dated January 30, 2006.

2. In terms of the master circular, the provisions made during the year along with the corresponding figures for the previous year towards NPA, standard assets, depreciation in the value of investments, income tax, etc are to be disclosed under various heads such as Asset Quality, Investments and Miscellaneous.

3. To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, it has been decided that banks may henceforth disclose in the 'Notes on Account' the following information, in addition to the existing disclosure requirements as per the master circular.

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment		
Provision towards NPA		
Provision towards Standard Asset		
Provision made towards Income tax		
Other Provision and Contingencies (with details)		

Yours faithfully,

(Prashant Saran)
Chief General Manager-in-Charge