

September 14, 1998

The Chairman/ Chief Executive
All Indian Commercial Banks

Dear Sir:

Year 2000 (Y2K) Problem – Reporting Requirements

Please refer to our circular DBS.No.Y2K.BC.24/35.01.00/98-99 dated August 7, 1998 apprising you of the critical operating risks associated with the Year 2000 (Y2K) problem and advising minimum mandatory measures to be put in place for addressing business continuity risk across the millennium. Banks were required to keep their Board of Directors suitably apprised of the matter. You were also advised to maintain proper records of your Y2K compliance efforts and report to us the progress made in this regard at quarterly intervals. In terms of our above circular, all banks are expected to send us a certificate as on September 30, 1998 that all measures communicated by us for achieving Y2K compliance are fully complied with.

2 In view of the fast approaching milestone and the need to ensure that the Y2K problem is being effectively addressed within each bank, we advise that the Certificate of Compliance envisaged in our above mentioned circular may be noted by the bank's Board of Directors and a confirmation to this effect may be appended thereto. Banks are now required to also report to us the progress made by them at monthly intervals (position as at the last day of each calendar month) instead of quarterly as at present, so that the report is received by us within 10 days of the close of the month. The first such report as on August 31, 1998 may please be submitted to us immediately. Banks should also keep their Board of Directors apprised of the progress made in their Y2K compliance efforts at least bimonthly and incorporate a confirmation to this effect in their monthly progress reports.

Yours faithfully,
sd/-
(M. Sebastian)
Deputy General Manager