

May 25, 1999

The Chairman/ Managing Director/ Chief Executive  
All Commercial Banks/ Non-Banking Subsidiaries of Commercial Banks/  
Financial Institutions/ Primary (Urban) Cooperative Banks/ Primary/ Satellite Dealers in  
Government Securities

Dear Sir:

**Year 2000 (Y2K) Issues – Statutory Audit for the Year 1998 -99**

The Institute of Chartered Accountants of India (ICAI) have circulated a 'Guidance Note on the Auditor's Duties in relation to the Year 2000 (Y2K) Issue' for the use and guidance of their members in regard to, inter alia, the responsibilities of the management and those of the auditors in relation to Y2K.

The Guidance Note recommends that the auditors may incorporate certain disclaimers relating to risks arising out of the Year 2000 problem in their 'Engagement Letter'. Statutory Auditors have also been advised in the Guidance Note to obtain a 'Management Representation Letter' from the Management on how the organisation has addressed the Year 2000 problem. In this connection we shall be glad if you will please forward to us a copy of the 'Management Representation Letter' alongwith the Management's Assessment of the Year 2000 Issue (Part I & II) provided by the organisation to their Statutory Auditors and the Auditor's opinion, if any, in this regard.

Yours faithfully

sd/-

(M.R. Srinivasan)

Chief General Manager