

## RESERVE BANK OF INDIA

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11 February, 2005

The CEOs of the all-India Term-lending and Refinancing Institutions (Exim Bank, IDFC Ltd., IFCI Ltd., IIBI Ltd., NABARD, NHB, SIDBI and TFCI Ltd.)

Dear Sir.

## Certificates / authentication to be obtained from the Statutory Central auditors of Financial Institutions- FID. No. C - 9

Please refer to the instructions issued by us to the financial institutions from time to time on:

- (i) Investments made by FIs;
- (ii) Treasury operations;
- (iii) Proper custody of unused BR forms
- (iv) IRAC and provisioning norms;
- (v) Capital to Risk Asset Ratio (CRAR) norms and authentication of FIs' assessment of CRAR in the Notes on accounts attached to the Balance Sheet.
- **2.** It has been decided that, henceforth, the FIs may obtain from their Statutory Central Auditors, the certificate relating to the following aspects :
- (i) Treasury operations of the FI;
- (ii) Reconciliation of FI's investment;
- (iii) Custody of unused BR forms and their utilisation as recommended by Janakiraman Committee:
- (iv) Compliance in key areas (conduct of the Investment Portfolio);
- (v) Income recognition, asset classification and provisioning made by the FI;
- (vi) Authentication of FI's calculation of CRAR and assessment of capital adequacy ratio in the 'Notes on Accounts' attached to the Balance Sheet.





- 3. A copy each of these certificates should be forwarded by the FI to the respective Regional Office of the Department of Banking Supervision of RBI under whose jurisdiction the Head Office of the FI is located, as soon as the Balance Sheet is finalised.
- **4.** Please acknowledge receipt.

Yours faithfully,

(Surekha Marandi) General Manager