

RBI/2005-06/163

DBS. FrMC. BC. No.. 1 /23.04.001/2005-06

September 9, 2005

The Chief Executives of all commercial banks (Excluding RRBs), and
Financial Institutions.

Dear Sir,

Frauds – Classification and Reporting

Please refer to our letter DBS. FrMC. BC. No.2 /23.04.001/2004-05 dated August 7, 2004, forwarding the Master Circular on Frauds – Classification and Reporting. The said Master Circular has been updated incorporating therein all the instructions issued subsequently and is forwarded herewith. The Master Circular has also been placed on the web-site of the Reserve Bank of India (www.rbi.org.in).

2. Please acknowledge receipt.

Yours faithfully

(K. V. Subba Rao)
Chief General Manager

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1. INTRODUCTION

- 1.1 Incidence of frauds, dacoities, robberies, etc., in banks is a matter of concern. While the primary responsibility for preventing frauds lies with banks themselves, the Reserve Bank of India has been advising banks from time to time about the major fraud prone areas and the safeguards necessary for prevention of frauds. The Reserve Bank has also been circulating to banks, the details of frauds of an ingenious nature not reported earlier so that banks could introduce necessary safeguards by way of appropriate procedures and internal checks. Banks are also being advised about the details of unscrupulous borrowers and related parties who have perpetrated frauds on banks so that banks could exercise caution while dealing with them. To facilitate this ongoing process, it is essential that banks report to the Reserve Bank full information about frauds and the follow-up action taken thereon. Banks may, therefore, adopt the reporting system for frauds as prescribed in the following paragraphs.
- 1.2 It has been observed that frauds are, at times, detected in banks long after their perpetration. The fraud reports are also submitted to the Reserve Bank, many a time, with considerable delay and without the required information. On certain occasions, the Reserve Bank comes to know about frauds involving large amounts only through press reports. Banks should, therefore, ensure that the reporting system is suitably streamlined so that frauds are reported without any delay. Banks must fix staff accountability in respect of delays in reporting fraud cases to the Reserve Bank.
- 1.3 Delay in reporting of frauds and the consequent delay in alerting other banks about the modus operandi and issue of caution advices against unscrupulous borrowers could result in similar frauds being perpetrated elsewhere. Banks may, therefore, strictly adhere to the timeframe fixed in this circular for reporting fraud cases to the Reserve Bank failing which banks would be liable for penal action as prescribed under Section 47(A) of the Banking Regulation Act, 1949.
- 1.4 A software on 'Frauds Reporting and Monitoring System' has since been developed and the banks have been advised vide our circular No. DBS.FGV(F) 1836/23.04.001/2002-03 dated June 4, 2003 to send the returns and data starting from the quarter ended June 30,2003 in soft and hard copy format to RBI Central Office as well as the concerned Regional Office of the Department of Banking Supervision under whose jurisdiction the bank's Head Office is situated.
- 1.5 Banks should specifically nominate an official of the rank of General Manager who will be responsible for submitting all the returns referred to in this circular.

2. CLASSIFICATION OF FRAUDS

- 2.1 In order to have uniformity in reporting, frauds have been classified as under based mainly on the provisions of the Indian Penal Code:
- (a) Misappropriation and criminal breach of trust.
 - (b) Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.
 - (c) Unauthorised credit facilities extended for reward or for illegal gratification.
 - (d) Negligence and cash shortages.
 - (e) Cheating and forgery.
 - (f) Irregularities in foreign exchange transactions.
 - (g) Any other type of fraud not coming under the specific heads as above.
- 2.2 Cases of 'negligence and cash shortages' and 'irregularities in foreign exchange transactions' referred to in items (d) and (f) above are to be reported as fraud if the intention to cheat/defraud is suspected/ proved. Cases of cash shortage up to Rs. 1,000/- reported on the same day by persons handling the cash and where there is no suspicion of fraud, need not be reported as fraud. However, cases of cash shortage involving more than Rs. 1,000/- and those detected by the management/ inspecting officer, irrespective of the amount, may be reported as fraud.
- 2.3 To ensure uniformity and to avoid duplication, frauds involving negotiable instruments may be reported only by the paying banker and not by the collecting banker.
- 2.4 Banks (other than foreign banks) having overseas branches/offices should report all frauds perpetrated at such branches/offices also to the Reserve Bank as per the format and procedure detailed under Paragraph 3 below.
- 2.5 Cases of theft, burglary, dacoity and robbery should not be reported as fraud. Such cases may be reported separately as detailed in paragraph 7.

3. REPORTING OF FRAUDS TO RESERVE BANK OF INDIA

3.1 Frauds involving Rs. 1 lakh and above

- 3.1.1 Fraud reports should be submitted in all cases of fraud of Rs. 1 lakh and above perpetrated through misrepresentation,

breach of trust, manipulation of books of account, fraudulent encashment of instruments like cheques, drafts and bills of exchange, unauthorised handling of securities charged to the bank, misfeasance, embezzlement, misappropriation of funds, conversion of property, cheating, shortages, irregularities, etc.

- 3.1.2 Fraud reports should also be submitted in cases where central investigating agencies have initiated criminal proceedings suo motto and/or where the Reserve Bank has directed that they be reported as frauds.
- 3.1.3 Wherever information is available, banks may also report frauds perpetrated in their subsidiaries and affiliates/joint ventures. Such frauds should, however, not be included in the report on outstanding frauds and the quarterly progress reports referred to in paragraph 4 below.
- 3.1.4 The fraud reports in soft and hard copy format should be sent to the Central Office (CO) as also the concerned Regional Office of the Reserve Bank, Department of Banking Supervision, under whose jurisdiction the Head Office of the bank falls, in the format given in FMR – 1, within three weeks from the date of detection.

3.2 Frauds committed by unscrupulous borrowers

- 3.2.1 It is observed that a large number of frauds are committed by unscrupulous borrowers including companies, partnership firms/proprietary concerns and/or their directors/partners by various methods including the following:
 - (i) Fraudulent discount of instruments or kite flying in clearing effects.
 - (ii) Fraudulent removal of pledged stocks/disposing of hypothecated stocks without the bank's knowledge/inflating the value of stocks in the stock statement and drawing excess bank finance.
 - (iii) Diversion of funds outside the borrowing units, lack of interest or criminal neglect on the part of borrowers, their partners, etc. and also due to managerial failure leading to the unit becoming sick and due to laxity in effective supervision over the operations in borrowal accounts on the part of the bank functionaries rendering the advance difficult of recovery.
- 3.2.2 In respect of frauds in borrowal accounts involving an amount of Rs. 5 lakh and above, additional information as prescribed under Part B of FMR – 1 may also be furnished.

3.3 Frauds involving Rs. 100 lakh and above

3.3.1 In respect of frauds involving Rs. 100 lakh and above, in addition to the requirements given at paragraphs 3.1 and 3.2 above, banks may report the fraud by means of a D.O. letter addressed to the Chief General Manager in charge of the Department of Banking Supervision, Reserve Bank of India, Central Office, within a week of such frauds coming to the notice of the bank's Head Office. The letter may contain brief particulars of the fraud such as amount involved, nature of fraud, modus operandi in brief, name of the branch/office, names of parties involved (if they are proprietorship/partnership concerns or private limited companies, the names of proprietors, partners and directors), names of officials involved, and whether the complaint has been lodged with the Police/CBI. A copy of the D.O. letter should also be endorsed to the Regional Office of Reserve Bank under whose jurisdiction the bank's branch, where the fraud has been perpetrated, is functioning.

3.4 Cases of attempted fraud

Cases of attempted fraud, where the likely loss would have been Rs. 100 lakh or more, had the fraud taken place, should be reported to the Central Office of the Reserve Bank, Department of Banking Supervision, indicating the modus operandi and how the fraud was detected. Such cases should not be included in the other returns to be submitted to the Reserve Bank.

4. QUARTERLY RETURNS

4.1 Report on Frauds Outstanding

4.1.1 Banks should submit a copy each of the Quarterly Report on Frauds Outstanding in the format given in FMR – 2 to the Central Office and the Regional Office of the Reserve Bank under whose jurisdiction the Head Office of the bank falls within 15 days of the end of the quarter to which it relates. The data should be submitted in both soft and hard copy. Banks which may not be having any fraud outstanding as at the end of a quarter should submit a *nil* report.

4.1.2 Part – A of the report covers details of frauds outstanding as at the end of the quarter. Parts B and C of the report give category-wise and perpetrator-wise details of frauds reported during the quarter respectively. The total number and amount of fraud cases reported during the quarter as shown

in Parts B and C should tally with the totals of columns 4 and 5 in Part – A of the report.

- 4.1.3 Banks should furnish a certificate, as part of the above report, to the effect that all individual fraud cases of Rs. 1 lakh and above reported to the Reserve Bank in FMR – 1 during the quarter have also been put up to the bank's Board and have been incorporated in Part – A (columns 4 and 5) and Parts B and C of FMR – 2.
- 4.1.4 Closure of fraud cases :- Banks will report to the Frauds Monitoring Cell, RBI, Department of Banking Supervision (DBS), Central Office, Mumbai and the respective Regional offices of the DBS, the details of fraud cases closed along with reasons for the closure where no further action was called for. Fraud cases closed during the quarter are required to be reported in quarterly return FMR 2.

Banks should report only such cases as closed where the actions as stated below are complete.

- a. The fraud cases pending with CBI/Police/Court are finally disposed of.
- b. The examination of staff accountability has been completed.
- c. The amount of fraud has been recovered or written off.
- d. Insurance claim wherever applicable has been settled.
- e. The bank has reviewed the systems and procedures, identified the causative factors and plugged the lacunae and the fact of which has been certified by the appropriate authority (Board/ Audit Committee of the Board)

Banks should also pursue vigorously with CBI for final disposal of pending fraud cases especially where the banks have completed staff side action. Similarly, banks may vigorously follow up with the police authorities and/or court for final disposal of fraud cases.

4.2 Progress Report on Frauds

- 4.2.1 Banks should furnish case-wise quarterly progress reports on frauds involving Rs. 1 lakh and above in the format given in FMR – 3 to the Central Office of the Reserve Bank, Department of Banking Supervision as well as the concerned Regional Office of the Department of Banking Supervision under whose jurisdiction the bank's Head Office is situated, within 15 days of the end of the quarter to which it relates.

4.2.2 In the case of frauds where there are no developments during a quarter, a list of such cases with a brief description including name of branch and date of reporting may be furnished in Part – B of FMR – 3.

4.2.3 Banks which do not have any fraud involving Rs. 1 lakh and above outstanding may submit a ***nil*** report.

5. REPORTS TO THE BOARD

5.1 Reporting of Frauds

5.1.1 Banks should ensure that all frauds of Rs. 1 lakh and above are reported to their Boards promptly on their detection.

5.1.2 Such reports should, among other things, take note of the failure on the part of the concerned branch officials and controlling authorities, and consider initiation of appropriate action against the officials responsible for the fraud.

5.2 Quarterly Review of Frauds

5.2.1 Information relating to frauds for the quarters ending March, June and September may be placed before the Board of Directors/Executive Committee/Local Advisory Board during the month following the quarter to which it pertains, irrespective of whether or not these are required to be placed before the Board/Management Committee in terms of the Calendar of Reviews prescribed by the Reserve Bank.

5.2.2 These should be accompanied by supplementary material analysing statistical information and details of each fraud so that the Board/Committee/Local Advisory Board would have adequate material to contribute effectively in regard to the punitive or preventive aspects of frauds.

5.2.3 A separate review for the quarter ending December is not required in view of the Annual Review for the year-ending December prescribed below.

5.2.4 All the frauds involving an amount of Rs 1 crore and above should be monitored and reviewed by the Special Committee of the Board in case of all Indian commercial banks. The periodicity of the meetings of the Special Committee may be decided according to the number of cases involved. However, the Committee should meet and review as and when a fraud involving an amount of Rs 1 crore and above comes to light.

5.3 Annual Review of Frauds

5.3.1 Banks should conduct an annual review of the frauds and place a note before the Board of Directors/Local Advisory Board for information. The reviews for the year-ended December may be put up to the Board before the end of March the following year. Such reviews need not be sent to RBI. These may be preserved for verification by the Reserve Bank's inspecting officers.

5.3.2 The main aspects which may be taken into account while making such a review may include the following:

- (a) Whether the systems in the bank are adequate to detect frauds, once they have taken place, within the shortest possible time.
- (b) Whether frauds are examined from staff angle and, wherever necessary, the cases are reported to the Vigilance Cell for further action in the case of public sector banks.
- (c) Whether deterrent punishment is meted out, wherever warranted, to the persons found responsible.
- (d) Whether frauds have taken place because of laxity in following the systems and procedures and, if so, whether effective action has been taken to ensure that the systems and procedures are scrupulously followed by the staff concerned.
- (e) Whether frauds are reported to local Police or CBI, as the case may be, for investigation, as per the guidelines issued in this regard to public sector banks by Government of India.

5.3.3 The annual reviews should also, among other things, include the following details:

- (a) Total number of frauds detected during the year and the amount involved as compared to the previous two years.
- (b) Analysis of frauds according to different categories detailed in Paragraph 2.1 and also the different business areas indicated in the Quarterly Report on Frauds Outstanding (vide FMR – 2).
- (c) Modus operandi of major frauds reported during the year along with their present position.
- (d) Detailed analyses of frauds of Rs. 1 lakh and above.

- (e) Estimated loss to the bank during the year on account of frauds, amount recovered and provisions made.
- (f) Number of cases (with amounts) where staff are involved and the action taken against staff.
- (g) Region-wise/Zone-wise/State-wise break-up of frauds and amount involved.
- (h) Time taken to detect frauds (number of cases detected within three months, six months and one year of their taking place).
- (i) Position with regard to frauds reported to CBI/Police.
- (j) Number of frauds where final action has been taken by the bank and cases disposed of.
- (k) Preventive/punitive steps taken by the bank during the year to reduce/minimise the incidence of frauds.

6. GUIDELINES FOR REPORTING FRAUDS TO POLICE/CBI

6.1 Private sector banks should follow the following guidelines for reporting of frauds such as unauthorised credit facilities extended by the bank for illegal gratification, negligence and cash shortages, cheating, forgery, etc. to the State Police authorities:

- (a) In dealing with cases of fraud/embezzlement, banks should not merely be actuated by the necessity of recovering expeditiously the amount involved, but should also be motivated by public interest and the need for ensuring that the guilty persons do not go unpunished.
- (b) Therefore, as a general rule, the following cases should invariably be referred to the State Police:
 - (i) Cases of fraud involving an amount of Rs. 1 lakh and above, committed by outsiders on their own and/or with the connivance of bank staff/officers.
 - (ii) Cases of fraud committed by bank employees, when it involves bank funds exceeding Rs. 10,000/-.

6.2 Public sector banks should report fraud cases involving amount of Rs. 1 crore and above to CBI and those below Rs. 1 crore to local police, as detailed below :

Cases to be referred to CBI

- (a) Cases of Rs. 1 crore and upto Rs. 5 crore
 - Where staff involvement is prima facie evident – CBI (Anti Corruption Branch)
 - Where staff involvement is prima facie not evident – CBI (Economic Offences Wing)

- (b) All cases of Rs.5 crore and above –Banking Security and Fraud Cell of the respective centres, which is specialised cell of the Economic Offences Wing of the CBI for major bank fraud cases.

Cases to be referred to local police :-

Cases below Rs. 1 crore – Local Police.

In addition to the above, CVO in consultation with CMD may refer a case involving less than Rs.1 crore or a case which cannot be classified on monetary limits, to the CBI, if, in the opinion of the CVO, the case is of serious nature and/or has an inter-state or International ramifications

7. REPORTING CASES OF THEFT, BURGLARY, DACOITY AND BANK ROBBERIES

- 7.1 Banks should arrange to report instances of bank robberies, dacoities, thefts and burglaries to the following authorities immediately on their occurrence by telegram/ fax / e-mail. The report should include details of modus operandi and other information as at columns 1 to 10 of FMR – 4.
- (a) Reserve Bank of India, Department of Banking Supervision, Central Office, Mumbai.
 - (b) The concerned Regional Office of the Department of Banking Supervision, Reserve Bank of India under whose jurisdiction the Head Office of the bank falls.
 - (c) The concerned Regional Office of the Department of Banking Supervision, Reserve Bank of India, under whose jurisdiction the affected bank branch is located.
 - (d) The Security Adviser, Central Security Cell, Reserve Bank of India, Central Office Building, Mumbai – 400001.
 - (e) Ministry of Finance, Department of Economic Affairs, (Banking Division), Government of India, New Delhi.
- 7.2 Banks should also submit to the Reserve Bank, Department of Banking Supervision, Central Office as well as the concerned Regional Office of the Reserve Bank under whose jurisdiction the bank's Head Office is situated a quarterly consolidated statement in the format given in FMR – 4 covering all cases pertaining to the quarter. This may be submitted within 15 days of the end of the quarter to which it relates.
- 7.3 Banks which do not have any instances of theft, burglary, dacoity and/or robbery to report during the quarter, may submit a ***nil*** report.

FMR – 1

Report on Actual or Suspected Frauds in Banks

(Vide Paragraph 3)

Part A: Fraud Report

| | | |
|-----|---|--------|
| 1. | Name of the bank | |
| 2. | Fraud number ¹ | |
| 3. | Details of the branch ² | |
| | (a) Name of the branch | |
| | (b) Branch type | |
| | (c) Place | |
| | (d) District | |
| | (e) State | |
| 4. | Name of the Principal party/account ³ | |
| 5.a | Area of operation where the fraud has occurred ⁴ | |
| 5.b | Whether fraud has occurred in a borrowal account ? | Yes/No |
| 6.a | Nature of fraud ⁵ | |
| 6.b | Whether computer is used in committing the fraud? | |
| 6.c | If yes, details | |
| 7. | Total amount involved ⁶ (Rs. In lakh) | |
| 8.a | Date of occurrence ⁷ | |
| b | Date of detection ⁸ | |
| c | Reasons for delay, if any, in detecting the fraud | |

| | | |
|------|---|--------|
| d | Date on which reported to RBI ⁹ | |
| e | Reasons for delay, if any, in reporting the fraud to RBI | |
| 9.a | Brief history | |
| b | modus operandi | |
| 10. | Fraud committed by | |
| a | Staff | Yes/No |
| b | Customers | Yes/No |
| c | Outsiders | Yes/No |
| 11.a | Whether the controlling office (Regional/Zonal) could detect the fraud by a scrutiny of control returns submitted by the branch | Yes/No |
| b | Whether there is need to improve the information system? | Yes/No |
| 12.a | Whether internal inspection/audit (including concurrent audit) was conducted at the branch(es) during the period between the date of first occurrence of the fraud and its detection? | Yes/No |
| b | If yes, why the fraud could not have been detected during such inspection/audit. | |
| c | What action has been taken for non-detection of the fraud during such inspection/audit | |
| 13. | Action taken/proposed to be taken | |
| a | Complaint with Police/CBI | |

| | | |
|---|--|--------|
| | i) Whether any complaint has been lodged with the Police/CBI? | Yes/No |
| | ii) If yes, name of office/ branch of CBI/ Police | |
| 1 | Date of reference | |
| 2 | Present position of the case | |
| 3 | Date of completion of Police/CBI investigation | |
| 4 | Date of submission of investigation report by Police/CBI | |
| | iii) If not reported to Police/CBI, reasons therefor | |
| b | Recovery suit with DRT/Court | |
| | i) Date of filing | |
| | ii) Present position | |
| c | Insurance claim | |
| | i) Whether any claim has been lodged with an insurance company | Yes/No |
| | ii) If not, reasons therefor | |
| d | Details of staff-side action | |
| | i) Whether any internal investigation has been/is proposed to be conducted | Yes/No |
| | ii) If yes, date of completion | |
| | iii) Whether any departmental enquiry has been/is proposed to be conducted | |

iv) If yes, give details as per format given below:

v) If not, reasons therefor

| No. | Name | Desgn. | Whether suspended/Dt. of suspension | Date of issue of charge sheet | Date of commencement of domestic inquiry | Date of completion of inquiry | Date of issue of final orders | Punishment awarded | Details of prosecution/conviction/acquittal, etc. |
|-----|------|--------|-------------------------------------|-------------------------------|--|-------------------------------|-------------------------------|--------------------|---|
| | | | | | | | | | |

e Steps taken/proposed to be taken to avoid such incidents

14. (a) Total amount recovered

i) Amount recovered from party/parties concerned

ii) From insurance

iii) From other sources

(b) Extent of loss to the bank

(c) Provision held

(d) Amount written off

15. Suggestions for consideration of RBI

Part B: Additional Information on Frauds in Borrowal Accounts

(This part is required to be completed in respect of frauds in all borrowal accounts involving an amount of Rs. 5 lakh and above)

| Sr. No. | Type of party | Name of party/account | Party Address |
|----------------|----------------------|------------------------------|----------------------|
| | | | |
| | | | |

Borrowal accounts details:

| Party Sr. No. | Name of party/account | Borrowal account Sr. No. | Nature of Account | Date of Sanction | Sanctioned limit | Balance outstanding |
|----------------------|------------------------------|---------------------------------|--------------------------|-------------------------|-------------------------|----------------------------|
| | | | | | | |
| | | | | | | |

Borrowal account Director/proprietor details:

| Name of party/account | Sr.No. | Name of Director/Proprietor | Address |
|------------------------------|---------------|------------------------------------|----------------|
| | | | |
| | | | |

Associate Concerns:

| Name of party/account | Sr. No. Associate Concern | Name of Associate Concern | Address |
|------------------------------|----------------------------------|----------------------------------|----------------|
| | | | |
| | | | |

Associate Concern Director/proprietor details:

| Name of Associate Concern | Sr. No. | Name of Director | Address |
|----------------------------------|----------------|-------------------------|----------------|
| | | | |
| | | | |

Instructions for compiling the Fraud Report (FMR 1):

¹ **Fraud number:** This has been introduced with a view to facilitate computerisation and cross-reference. The number will be an alphanumeric field consisting of the following: four alphabets (to indicate name of bank), two digits for the year (02, 03, etc.), two digits for the quarter (01 for January – March quarter, etc.) and the final four digits being a distinctive running number for the fraud reported during the quarter.

² **Name of the branch:** In case the fraud relates to more than one branch, indicate the name of only one branch where the amount involved has been the highest and/or which is mainly involved in following up the fraud. The names of the other branches may be given in the brief history/modus operandi against item number 9.

³ **Name of party:** A distinctive name may be given to identify the fraud. In the case of frauds in borrowal accounts, name of the borrowers may be given. In the case of frauds committed by employees, the name(s) of the employee(s) could be used to identify the fraud. Where fraud has taken place, say, in clearing account/inter-branch account, and if it is not immediately possible to identify the involvement of any particular employee in the fraud, the same may be identified merely as “Fraud in clearing/inter-branch account”.

⁴ **Area of operation where the fraud has occurred:** Indicate the relevant area out of those given in column 1 of statement FMR 2 (Part A) (Cash; Deposits (Savings/Current/Term); Non-resident accounts; Advances (Cash credit/Term Loans/Bills/Others); Foreign exchange transactions; Inter-branch accounts; Cheques/demand drafts, etc.; Clearing, etc. accounts; Off-balance sheet (Letters of credit/Guarantee/Co-acceptance/Others); Others)

⁵ **Nature of fraud:** Select the number of the relevant category from the following which would best describe the nature of fraud: (1) Misappropriation and criminal breach of trust, (2) Fraudulent encashment through forged instruments/manipulation of books of account or through fictitious accounts and conversion of property, (3) Unauthorised credit facilities extended for reward or for illegal gratification, (4) Negligence and cash shortages, (5) Cheating and forgery, (6) Irregularities in foreign exchange transactions, (7) Others.

⁶ **Total amount involved:** Amounts should, at all places, be indicated in Rs. lakh up to two decimal places.

⁷ **Date of occurrence:** In case it is difficult to indicate the exact date of occurrence of fraud (for instance, if pilferages have taken place over a period of time, or if the precise date of a borrower’s specific action, subsequently deemed to be fraudulent, is not ascertainable), a notional date may be indicated which is the earliest likely date on which the person is likely to have committed the fraud (say, January 1, 2002, for a fraud which may have been committed anytime during the year 2002). The specific details, such as the period over which the fraud has occurred, may be given in the history/modus operandi.

⁸ **Date of detection:** If a precise date is not available (as in the case of a fraud detected during the course of an inspection/audit or in the case of a fraud being reported such on the directions of the Reserve Bank), a notional date on which the same may be said to have been recognised as fraud may be indicated.

⁹ **Date of reporting to RBI:** The date of reporting shall uniformly be the date of sending the detailed fraud report in form FMR 1 to the RBI and not any date of fax or DO letter that may have preceded it.

FMR – 2

Quarterly Report on Frauds Outstanding

(Vide Paragraph 4.1)

Name of the bank _____

Report for the quarter ended _____

Domestic Overseas

Part – A: Frauds Outstanding

(Amount in Rs. lakh)

| Category | Cases outstanding as at the end of the previous quarter | | New cases reported during the current quarter | | Cases closed during the current quarter | | Cases outstanding as at the end of the quarter | | Total amount recovered | Provision held for cases outstanding as at the end of the Qtr. | Amount Recovered during the current Qtr. | Amount Written off during the current quarter |
|--|---|--------|---|--------|---|--------|--|-------------------|------------------------|--|--|---|
| | No. | Amount | No. | Amount | No. | Amount | No. (2+4-6) | Amount (3+5-7) | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Cash | | | | | | | | | | | | |
| Deposits (i) Savings (ii) Current (iii) Term | | | | | | | | | | | | |
| Non-resident accounts | | | | | | | | | | | | |
| Advances (i) Cash credit (ii) Term Loans (iii) Bills (iv) Others | | | | | | | | | | | | |
| Foreign exchange transactions | | | | | | | | | | | | |
| Inter-branch accounts | | | | | | | | | | | | |
| Cheques/Demand drafts, etc. | | | | | | | | | | | | |
| Clearing, etc., accounts | | | | | | | | | | | | |

| Category | Cases outstanding as at the end of the previous quarter | | New cases reported during the current quarter | | Cases closed during the current quarter | | Cases outstanding as at the end of the quarter | | Total amount recovered | Provision held for cases outstanding as at the end of the Qtr. | Amount Recovered during the current Qtr. | Amount Written off during the current quarter |
|---|---|--------|---|--------|---|--------|--|------------------------------|------------------------|--|--|---|
| | No. | Amount | No. | Amount | No. | Amount | No. | Amount (2+4-6) (3+5-7) | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Off-balance sheet (i) Letters of credit (ii) Guarantees (iii) Co-acceptance (iv) Others | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

Note: For Indian banks with overseas offices/branches, the above figures relate to the domestic position. The figures in respect of overseas branches/offices may be shown in a separate sheet in the same format as above.

Part – B: Category-wise classification of frauds reported during the quarter

Name of the bank _____

| Category | Misappropriation and criminal breach of trust | | Fraudulent encashment/manipulation of books of account and conversion of property | | Unauthorised credit facility extended for illegal gratification | | Negligence and cash shortages | | Cheating and forgery | | Irregularities in foreign exchange transactions | | Others | | Total | |
|---|---|------|---|------|---|------|-------------------------------|------|----------------------|------|---|------|--------|------|-------|------|
| | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. |
| Less than Rs. 1 lakh | | | | | | | | | | | | | | | | |
| Rs. 1 lakh and above but less than Rs. 100 lakh | | | | | | | | | | | | | | | | |
| Rs. 100 lakh and above | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |

Part – C: Perpetrator-wise classification of frauds reported during the quarter _____

Name of the bank _____

| Category | Staff | | Customers | | Outsiders | | Staff and Customers | | Staff and Outsiders | | Customers and Outsiders | | Staff, Customers and Outsiders | | Total | |
|---|-------|------|-----------|------|-----------|------|---------------------|------|---------------------|------|-------------------------|------|--------------------------------|------|-------|------|
| | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. | No. | Amt. |
| Less than Rs. 1 lakh | | | | | | | | | | | | | | | | |
| Rs. 1 lakh and above but less than Rs. 100 lakh | | | | | | | | | | | | | | | | |
| Rs. 100 lakh and above | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |

Note: 1. The above category-wise classification is mostly based on various provisions of the Indian Penal Code.

2. All amounts may be furnished in Rs. lakh up to two decimals.

Certificate

Certified that all frauds of Rs. 1 lakh and above reported to the Reserve Bank during the last quarter have also been reported to the bank's Board and have been incorporated in Part A (Columns 4 and 5) and Parts B and C above.

Signature:
Name and Designation:

Place:
Date:

FMR – 3

Quarterly Progress Report on Large Value Frauds

(Vide Paragraph 4.2)

Name of the bank: _____

Statement for quarter ended _____

Part A: Summary information

| | | Number | Amount involved (Rs. In lakh) |
|----|--|--------|----------------------------------|
| 1. | Cases outstanding | | |
| 2. | Cases where there is no progress (furnish case-wise details as per format at Part B below) | | |
| 3. | Cases where there is progress (furnish case-wise details as per format at Part C below) | | |

Part – B: Details of cases where there is no progress

| No. | Name of branch | Fraud No. | Name of party/account | Amount (Rs. in lakh) |
|-----|----------------|-----------|-----------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Part – C: Case-wise details of progress

Name of party/account: _____

Name of branch/office: _____

Amount involved

(Rs in lakh) _____

Fraud No : _____

| | | |
|-----|---|----------------------|
| 1. | Date of first reporting | <input type="text"/> |
| 2.a | Date of filing recovery suit with DRT/Court | <input type="text"/> |
| b | Present position | <input type="text"/> |
| 3. | Recoveries made up to the end of the last quarter (Rs. in lakh) | <input type="text"/> |
| 4. | Recoveries made during the quarter (Rs. In lakh) | <input type="text"/> |
| | a) From party/parties concerned | <input type="text"/> |
| | b) From insurance | <input type="text"/> |
| | c) From other sources | <input type="text"/> |
| 5. | Total recoveries (3+4) (Rs. in lakh) | <input type="text"/> |
| 6. | Loss to the bank (Rs in lakh) | <input type="text"/> |
| 7. | Provision held (Rs in lakh) | <input type="text"/> |
| 8. | Amount written off (Rs in lakh) | <input type="text"/> |
| 9. | a) Date of reporting case to Police/ CBI | <input type="text"/> |
| | b) Date of completion of Police/CBI investigation | <input type="text"/> |

c) Date of submission of investigation report by Police/CBI

| |
|--|
| |
|--|

10. Details of staff-side action

| No. | Name | Desgn. | Whether suspended/Dt. of suspension | Date of issue of charge sheet | Date of commencement of domestic inquiry | Date of completion of inquiry | Date of issue of final orders | Punishment awarded | Details of prosecution/conviction/acquittal, etc. |
|-----|------|--------|-------------------------------------|-------------------------------|--|-------------------------------|-------------------------------|--------------------|---|
| 1. | | | | | | | | | |
| 2. | | | | | | | | | |
| 3. | | | | | | | | | |
| 4. | | | | | | | | | |

11. Other developments

| |
|--|
| |
|--|

12. Whether case closed during the quarter

| |
|--------|
| Yes/No |
|--------|

13. Date of closure:

| |
|--|
| |
|--|

FMR – 4**Report on Dacoities/Robberies/Theft/Burglaries**

(Vide Paragraph 7)

Name of the bank _____

Report for the quarter ended _____

| Name of branch | Address | District | State | Type of branch ¹⁰ | Risk classification ¹¹ | Whether a currency chest branch | Type of Case ¹² | Date and time of occurrence | Amount involved (Rs. In lakh) | Amount recovered (Rs. In lakh) | Insurance claim settled (Rs. In lakh) | Arrested | |
|----------------|---------|----------|-------|------------------------------|-----------------------------------|---------------------------------|----------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------------|----------|---------|
| | | | | | | | | | | | | Staff | Robbers |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| | | | | | | | | | | | | | |

| Killed | | | Injured | | Convicted | | Compensation paid (Actual in Rs.) | | Action taken | Crime No. and name of police station at which offence has been registered | Remarks |
|--------|---------|--------|---------|--------|-----------|---------|-----------------------------------|--------|--------------|---|---------|
| Staff | Robbers | Others | Staff | Others | Staff | Robbers | Staff | Others | | | |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| | | | | | | | | | | | |

¹⁰ Rural/Semi-urban/Urban/Metropolitan¹¹ High/Normal/Low¹² Dacoity/Robbery/Theft/Burglary