



भारतीय रिज़र्व बैंक

**RESERVE BANK OF INDIA**

[www.rbi.org.in](http://www.rbi.org.in)

RBI /2012-13/363

DBS.FrMC.BC.No.5/23.04.001/2012-13

January 04, 2013

The Chairmen & Chief Executive Officers of all  
Scheduled Commercial Banks (excluding RRBs)  
and All India Select Financial Institutions

Dear Sir,

**Frauds – Classification and Reporting**

Please refer to our letter [DBS. FrMC. BC. No.1 /23.04.001/2012-13 dated July 02, 2012](#) i.e. the Master Circular on 'Frauds – Classification and Reporting'.

2. In view of the suggestions received from banks in the matter, it has been decided to amend Para 5.2.1, 5.2.3 and 5.3.1 of Master Circular DBS. FrMC. BC. No. 1/23.04.001/2012-13 dated July 02, 2012 on 'Frauds – Classification and Reporting' relating to reporting of fraud cases to various offices of RBI as under:

**5.2 Quarterly Review of Frauds**

**5.2.1** Information relating to frauds for the quarters ending June, September and December may be placed before the Audit Committee of the Board of Directors 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 RBI.

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

**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 March may be put up to the Board before the

end of the next quarter i.e. for the quarter ended June 30<sup>th</sup> and such reviews need not be sent to RBI. These may be preserved for verification by the Reserve Bank's inspecting officers.

Yours faithfully

Sd/-  
(R. K. Sharma)  
General Manager