



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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DNBS.PD.CC. No. 256 /03.10.042 / 2011-12

March 02, 2012

All Non-Deposit taking NBFCs with asset size of Rs.100 crore and above and Deposit taking NBFCs

Dear Sirs,

Monitoring of frauds

A reference is invited to [DNBS\(PD\)CC.No.59/03.10.42/2005-06 dated October 26, 2005](#) which contained guidelines on classification of frauds, approach towards monitoring of and reporting system for frauds for deposit taking NBFCs.

2. It has now been decided to extend the same Guidelines (issued in exercise of powers vested in the Bank under Section 45K and 45L of the RBI Act, 1934) to NBFCs-ND-SI also with immediate effect. Accordingly all NBFCs-ND-SI are advised to follow the Guidelines which inter alia, stipulate that individual cases of frauds involving amount less than Rs. 25 lakhs shall be reported to the respective Regional Offices(ROs) of DNBS in whose jurisdiction registered office of the company is located whereas individual cases of frauds involving amount of Rs. 25 lakhs and above may be reported to Frauds Monitoring Cell, Department of Banking Supervision, Reserve Bank of India, Central Office, World Trade Centre, Centre -1, Cuffe Parade, Mumbai- 400 005.

3. Additionally, all non-deposit taking NBFCs with asset size of Rs.100 crore and above and deposit taking NBFCs shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. As envisaged in the CC dated October 26, 2005, it is reiterated that NBFCs failing to report fraud cases to the Reserve Bank would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act, 1934.

Yours faithfully

(Uma Subramanian)
Chief General Manager In-Charge