

# FIDC

## Finance Industry Development Council

*(A Representative Body of NBFCs in India)*

101/103, Sunflower, 1<sup>st</sup> Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

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



January 06, 2025

Shri S C Murmu,  
Executive Director,  
Department of Supervision (DoS),  
Reserve Bank of India,  
Central Office Building  
Shahid Bhagat Singh Road  
Mumbai-400 001

Respected Sir,

### **SUB: SUPPLY CHAIN FINANCE – REPORTING TO CICs**

You may kindly recall our meeting with you on December 4, 2024 where we had discussed inter alia, the requirement of reporting supply chain finance facilities to Credit Information Companies (CIC). We understood that the RBI requires banks and NBFCs to report each tranche of these facilities as a separate loan and that each tranche within a facility must carry the highest DPD of any tranche.

We had requested guidance on the following issues:

- Reporting of each tranche as a loan would increase sharply the number of tradelines being reported against the customers' name. This may result in the credit bureau report of such customers becoming very bulky and may even result in challenges on their credit scores, which would result in customer dissatisfaction and complaints.
- The CIC may reject the data being reported at a tranche level, where a tranche is reported with the DPD of another tranche while it may not even be due.

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A few of our members have tested the latter by uploading the data to CICs. It appears that the second issue has been resolved and the data was accepted by the CICs.

However, customers have expressed dismay at the sharp rise in tradelines which have resulted in serious concerns to them and have written to some of our members complaining against this practice.

**We request your guidance on this matter and would request a reconsideration to avoid widespread customer dissatisfaction, with least concomitant benefit in identification of delinquencies, if any, at tranche level. We submit that reporting supply chain finance facilities at a facility level (rather than at a tranche level) with the highest DPD of any tranche would be a reasonable solution which would ensure proper reporting while taking care of regulatory expectation simultaneously with genuine customer interests.**

Thanking you,

Yours Faithfully,

For **FINANCE INDUSTRY DEVELOPMENT COUNCIL**

**MAHESH THAKKAR  
DIRECTOR GENERAL  
9820035553**