

No.003/VGL/1(Part)
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 5th July, 2004

Office Order No.45/7/04

To

The Chairman-cum-Managing Directors of all Public Sector Banks

Subject: Reporting of frauds perpetrated by Bank employees to local police/CBI.

Sir,

According to the existing instructions, cases of fraud of the value of Rs.25 lakhs and above are entrusted by the Banks to the CBI for investigation. Other cases where amounts involved appears to be less than Rs.25 lakhs are entrusted to the local police. At various forums, representatives of banks have suggested that the limit of Rs.25 lakhs may be raised to Rs.1 crore so that the banks have the option of going to the local police especially in cases where no bank official is suspected of involvement.

2. The Commission, in consultation with the Reserve Bank, has decided to raise the existing limit of Rs. 25 lakhs to Rs.1 crore for referring bank fraud cases to the CBI. This would allow Banks to refer the fraud cases below Rs.1 crore to the local police. However, reference of such cases to the CBI would be necessary only if a bank official is suspected to be involved; otherwise a reference to the local police will suffice.

3. The Banking Securities & Fraud Cell (BS&FC) at Delhi, Mumbai, Bangalore and Kolkata would handle information/complaints of the amount of alleged bank frauds in excess of Rs.5 crores. If the amount of the alleged fraud ranges between Rs.1 crore and Rs.5 crores, the information would be handled/investigated by the branch of CBI having territorial jurisdiction over the area.

4. The above guidelines may be followed strictly while handling the alleged bank fraud cases.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary