

**SAURASHTRA GRAMIN BANK,
VIGILANCE DEPARTMENT,
HEAD OFFICE, RAJKOT**

“ANNEXURE – A”

POLICY FOR CLOSURE OF FRAUD CASES:

Bank's policy for the closure of fraud cases is based on the NABARD extent instruction circulated vide circular no. 284/DoS-43/2016 dated 06/12/2016.

- 1) Bank will report to NABARD through “ENSURE”, the details of the fraud cases closed along with reasons for the closure where no further action was called for.
- 2) Fraud cases closed during the quarter are required to be reported quarterly through FMS 3 return and cross checked with relevant column in FMS 2 return before sending to NABARD.
- 3) Bank will report only such cases as closed where the actions as stated below are complete and prior approval is obtained from the respective Regional Offices of NABARD.
 - a) The fraud cases pending with 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 as 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)
- 4) Bank also to pursue vigorously with Police for final disposal of pending fraud cases especially where the banks have completed staff side action. Similarly, bank shall vigorously follow up with the police authorities and/or court for final disposal of fraud cases.
- 5) Bank is allowed, for limited statistical / reporting purposes, to close those fraud cases involving amounts up to Rs.01.00 lakh, where:
 - a) The investigation is on or challan/ charge sheet has not been filed in the Court for more than three years from the date of filing of First Information Report (FIR) by the Police or
 - b) The trial in the courts, after filing of charge sheet/challan by Police, has not started or is in progress.
- 6) Bank shall follow the guidelines relating to seeking prior approval for closure of such cases from the RO of NABARD under whose jurisdiction the Head Office of the bank is located and follow up of such cases after closure as mentioned below.
- 7) Bank shall submit their proposals, case wise, for closure to the Regional Office of NABARD under whose jurisdiction their Head Offices are situated. The cases may be closed after getting the approval of the respective Regional Offices of NABARD. Bank shall maintain the record of details of such cases separately. Even after closure of the fraud cases for limited statistical purposes, bank shall vigorously follow up with the investigating agencies (Police) to ensure that the investigation process is taken to its

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logical conclusion. Similarly, the bank shall continue to ensure that they are regularly and appropriately represented in the court proceedings as and when required. All the relevant records pertaining to such cases will be preserved till the cases are finally disposed of by Police or Courts, as the case may be.

- 8) Notwithstanding the fact that bank may close cases of fraud even when Police Investigation is in progress or cases are pending in the court of law, they should complete, within the prescribed time frame, the process of examination of staff accountability or conclude staff side actions.

