

उत्तर प्रदेश ग्रामीण बैंक Uttar Pradesh Gramin Bank

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उत्तर प्रदेश ग्रामीण बैंक की सभी शाखाओं एवं कार्यालयों हेतु परिपत्र

अनर्जक आस्ति प्रबन्धन एवं वसूली विभाग द्वारा जारी

महोदय/महोदया,

विषय: "Policy on Staff Accountability-2025" का क्रियान्वयन

भारत सरकार के दिनांक 07 अप्रैल 2025 के राजपत्र अधिसूचना CG-DL-E-07042025-262329 (F. No. 7/6/2024/ (11)-RRB) के अनुसार, पूर्ववर्ती बड़ौदा यू.पी. बैंक, पूर्ववर्ती प्रथमा यू.पी. ग्रामीण बैंक और पूर्ववर्ती आर्यावर्त बैंक के सम्मेलन के फलस्वरूप 01.05.2025 से "उत्तर प्रदेश ग्रामीण बैंक" अस्तित्व में है। नवगठित बैंक में एकरूपता, पारदर्शिता और परिचालन दक्षता सुनिश्चित करने के लिए मौजूदा नीतियों को एकीकृत कर "Policy on Staff Accountability-2025" को बैंक की Steering Committee द्वारा मंजूरी दी गई है एवं उत्तर प्रदेश ग्रामीण बैंक हेतु तत्काल प्रभाव से लागू करने का निर्णय लिया गया है।

वसूली नीति में समाहित बिन्दुओं /मार्गदर्शी प्रक्रियाओं पर पूर्ववर्ती बैंकों में पूर्व निर्गत निर्देश तदनुसार संशोधित माने जाएंगे।

सभी शाखाएं/कार्यालय इस परिपत्र की विषय वस्तु को भली भांति समझ लेवें एवं तदनुसार कार्य करते हुए शत-प्रतिशत अनुपालन सुनिश्चित करें।

भवदीय

(धनश्याम सिंह)

महाप्रबन्धक

संलग्नक: Policy on Staff Accountability-2025

POLICY
ON
STAFF ACCOUNTABILITY
(2025)

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1. BACKGROUND

The very connotation of the word “Accountability” is in a positive sense meaning “Responsibility”. Literally, the definition of the expression “ACCOUNTABLE”, is *‘being responsible for your decisions or actions and expected to explain them when you are asked’*. Thus, far from being negative, the term “ACCOUNTABILITY” merely means that one is responsible for one’s decisions and actions.

Accountability is inherent when there is delegation of power or delegation of duties. In an organization where number of people are vested with various levels of powers, it is fundamental and unavoidable that they should be responsible for their actions. As long as the actions are within the framework of the laid down guidelines, rules, regulations, policies and are in the interest of the Bank, they do not attract accountability.

Banks are in the business of lending which involves risk. A loan can turn bad due to a number of reasons like change in market conditions, change in law, inefficient management, natural calamities etc. which are beyond the control of the Bank. However, there may be reasons attributable to the staff who handled the advance and who by negligence/omission/commission/collusion failed to protect the interests of the Bank.

Loans going bad are a challenge but also present an opportunity to learn and improve. This process also involves identifying genuine mistakes as against malfeasance or malafide for which accountability should happen.

2. SCOPE OF POLICY

Over a period of time, however, the term staff accountability has taken on a negative connotation and more so amongst the Banking fraternity since their dealings are entirely financial in nature. Bankers at different levels have become wary of taking business decisions over fear of making mistakes and concerns of future probes, if any, of the commercial decisions, despite being bonafide, fail to meet acceptable parameters. This is defeating the entire purpose of conducting accountability exercise in NPA accounts, since the primary intention of conducting the accountability exercise is to not only identify lapses, if any, but also determine the reasons for the account turning NPA, drawing lessons for systemic improvement and assessing probabilities of recovery/revival in such accounts. Here the connotation Staff also includes staff recruited on contractual terms or for a fixed shorter period /term.

The objective of the staff accountability is to protect employees for their bona-fide actions and at the same time make them accountable for any wrongdoings or any inaction on their part. Staff accountability is also required to identify and punish only those employees who are prima facie responsible for the lapses of non-compliance with laid down systems & procedures or misconduct/ malafide and/ or non-adherence to the due diligence’ norms. Therefore the objective of the current policy is to position the entire policy with a positive connotation and look at it largely from the following three pillars:

2.1 Accountability as an inherent part of the compliance culture:

Accountability is part of a culture of “work ethics” and “compliance” when one is accountable and responsible for the areas of work that one is supposed to do with the right amount of due diligence and care that he /she needs to exercise in order to ensure that all compliances are accounted for and the work is carried out in the manner it ought to be carried out. Therefore, this entails a certain standard of work ethics and voluntary behavior from the side of the employee itself. It pre-supposes

that employees understand their responsibilities, their work areas, knowledge and effort required to carry out the same and necessary due diligence is taken by each of them voluntarily of their own accord. Therefore, the first pillar is about instilling and bringing about voluntary behavior for compliance and due diligence in the work that employees perform as part of their “Accountability” for their work.

Voluntarism for being responsible in work is sought to be instilled through various mechanisms as shared below:

- (a) **Compliance Culture**: The Compliance policy of the Bank states that a culture of compliance will be developed in the organization through
 - Promoting awareness of Compliance obligations
 - Culture building through various forms of communication and interactions like regular trainings, circulars and open lines of communication
 - Compliance and Audit functions to also act as internal guides to staff at Branches / offices
 - Appropriate disciplinary action for non-compliance through suitable policies / procedures, which by itself acts as deterrents and enforces voluntary compliance.
- (b) **Work Ethics programmes**: Promoting awareness of ethical values including proper work ethics and behaviour. Emphasizing standards of honesty and integrity throughout the organization is an important component in which the Top and senior management lead by example.
- (c) **Training and development**: Training plays an important role in developing the accountability / responsibility in work and also the due compliances. These shall include the following:
 - Skill development / knowledge upgradation in areas of compliance failures or in areas which are on account of knowledge gaps
 - Continuous and mandatory trainings on Compliance
 - Role based trainings

2.2 Accountability as an enforced administrative mechanism for preventive vigilance:

While it is desirable that compliance culture is all pervasive and employees adopt accountability voluntarily as a way of life, however, there has to be a system of checks to enforce accountability in exceptions or cases where it is not getting followed voluntarily. As a part of the system of checks for enforcement of accountability which need not be looked at as a punitive action or disciplinary action, but more as an administrative measure or an action put in place for enforcing the voluntary behavior and tell people when they are unknowingly crossing the line or not observing the laid down rules / guidelines. These administrative measures are almost akin to a system where it acts as a warning signal or deterrent for not toeing the line or for not being compliant. This ensures that employees become instantly aware and get a warning that being non-compliant can have negative consequences for them in future and thereby prevent them from being non-compliant and helps ensure conformity with desired behavior.

2.3 **Examination of staff Accountability leading to possible Penal action for non-compliance(s):**

The third pillar is where, from enforcement mechanism, we move to a penal mechanism where there is punitive action for undesired behaviour which has a material impact on the bank's operations. Here, we look at the system of examination of staff accountability which may include in-depth investigation of the systems and processes followed / not-followed to determine existence of the accountability for negligence / omissions / commissions, which have serious repercussions on the functioning of the Bank or have material impact and risk on the Bank's working and operations or for continuous / repeated non-compliances which need to be then dealt with seriously. These then lead to a punitive impact on the individual(s) identified as having committed the said lapse(s). The existing policy of examination of staff accountability is being revised and categorized under this third pillar of penal action.

It has also been observed that penal actions are largely confined to credit area, where any credit decision going bad is subjected to staff accountability with due processes outlined in detail for examination/ investigation and disciplinary action, as may be required. The objective of looking at staff accountability in the first two pillars is to basically look at other operational areas also in addition to credit so that a holistic approach to looking at staff accountability can be established for non-credit and operational areas also and the focus is on establishing a compliance culture in the Bank rather than only on punitive measures on account of non-compliance.

The aim of the policy is to “**Prevent**” rather than to “**Punish**”. Punishing people will be the last step. Also, as the policy lays down the processes transparently, it also provides a guide for people to be aware and careful so that they conduct themselves responsibly and are not caught up in any repercussions of Staff Accountability due to any non-compliance / lapses committed.

The aim of Bank in conducting the exercise of staff accountability is to safeguard the larger interests of the organization. The first step that ought to be taken should be to identify the areas where the rules and procedures, designed to protect the interests of the Bank, are not being followed. As a follow up of such identification, the organization should take necessary corrective steps by way of strengthening any knowledge gaps or by way of augmenting the resources or by any other action to create an environment which could be conducive for better observance of the rules and procedures.

The focus on the first two pillars shall drive the organization towards a more compliance oriented culture in the long run. The proposed approach to the new Staff Accountability Policy as described in this introductory section, is essentially from -3- angles – the first being voluntary behavior on the part of employees to conform to compliant culture, second is an administrative enforcement of compliance culture and the third, is the examination of Staff Accountability and related processes which can lead to punitive actions for non-compliance.

The rules, guidelines and this Staff Accountability policy of the Bank intend to enhance managerial effectiveness, healthy credit portfolio, and simultaneously keep high the morale of the employees, who are working and taking decisions in the interest of the Bank and within the framework of Bank's laid down systems and procedures. It is not absolutely necessary that every omission needs to be invariably punished.

“Accountability” is inherent where there is delegation of power and delegation of duty. In an Organization where large number of people are employed to do specific tasks and vested with various levels of powers, it is fundamental and unavoidable that they should be responsible for their actions. As long as the actions are within the framework of laid down guidelines and procedures and in the interest of the Bank, they need not attract any penal action.

The Staff Accountability policy has been prepared with the basic objective to provide a conducive atmosphere for business growth and to ensure protection of bonafide actions of the officials taken as per the rules, guidelines and policies of the Bank. It is not the intention of the policy that Commercial decisions, taken according to the circumstances/rules prevailing at the time when decision was taken, is now viewed with the wisdom of hindsight.

Risk taking in credit decision is an integral part of banking business. The Bank has an elaborate system of capturing risk and the loans are priced accordingly. However, a few cases are likely to slip into Non-Performing Assets (NPAs) due to situations beyond the control of bank officials. Assumptions made at the time of sanction may change drastically due to external factors which can hardly be visualized / controlled. Accordingly, concerned officials should not be made responsible for such accounts turning into NPA, lest decision makers will be at disadvantage vis-a-vis those who do not take decisions at all.

Further Credit facilities sanctioned under tailor-made and preapproved schemes specifically under Retail, Government sponsored and Agriculture schemes, where all terms and conditions of the scheme including selection of borrower criteria are complied with or deviations from the competent authority/ies for deviation, if any, are obtained, in such cases, no staff accountability is to be assigned unless an act of malafide or reckless financing is observed on the part of Bank official.

Microscopic scrutiny of all credit decisions after slippage of account into NPA, with an obsessive mindset of finding someone necessarily accountable is counter-productive for a business organization where lending activity is main source of revenue/profitability.

It is to be ensured that bonafide decisions taken by the officials in the discharge of their duties during normal course of business are viewed in proper perspective and need not be subjected to disciplinary proceedings. This policy therefore makes a clear distinction between Administrative action and Disciplinary action and tries to ensure that bonafide decisions should be protected.

At the same time, the Bank can ill afford to be lax on officials who indulge in motivated and reckless decision making and/or flagrantly violate the rules, guidelines and policies of the Bank thereby causing damage to the organization. Actions with malafide intention, even if within the delegated authority or actions without due diligence or actions exceeding delegated authority without the approval of the appropriate authority, even if bonafide, will not qualify for immunity or exemption from the punitive angle, irrespective of whether there may or may not be any monetary loss to the Bank. Also, employees who are found continually lax or are repeatedly non-compliant, even after bringing them under the ambit of administrative enforcement, will have to be taken up for disciplinary action after some time of giving him / her adequate scope to improve compliance.

Accordingly, it has to be ensured that those delinquent staff members who are

found prima-facie responsible (directly or indirectly) of misconduct or working against the interest of the Bank or misusing their position of authority or are repeatedly non-compliant, have to be sternly dealt with.

3. APPROACH FOR EXAMINATION OF STAFF ACCOUNTABILITY:

In order to give effect to the objective of having a fair and transparent system of Examination of Staff Accountability for non-performing advances accounts, fraud/suspected fraud accounts and for operational lapses, the approach is taken as under:

- a. The policy is intended to enhance managerial effectiveness, healthy credit portfolio, proper operations and to keep high the morale of the employees, who are working and taking decisions in the interest of organization and within the framework of Bank's guidelines. The focus of carrying out an examination of staff accountability is to identify only those employees, who are prima facie accountable for major lapses in complying with the laid down systems & procedures, acts of commission and omission and/or misconduct.
- b. Risk taking forms an integral part of business in banking institutions. Therefore, every loss caused to the organization, either in pecuniary or other forms, need not necessarily become the subject matter of Staff Accountability. At the same time, it would be unfair to ignore motivated or reckless decisions, which have caused damage to the interest of the organization. Therefore, a distinction has to be drawn between a business loss, arisen in the normal course of bonafide commercial decision, and a loss, which has occurred as a result of any malafide, motivated or reckless discharge of duties. While the former has to be accepted as an integral part of business and ignored from the accountability point of view, the later has to be viewed adversely and dealt with under the extant Staff Accountability/Disciplinary procedures.
- c. The role of the different Committees constituted as a part of this policy is only for examination of accountability and not for fixing the accountability.

Accountability and punishment will be further fixed by Competent Disciplinary Authority as per Bank's Service Rules & Regulations and Bank's Pension Regulations etc.

- d. Staff Accountability is to be examined in a fair and transparent manner and should not be based on vindictive or prejudiced views.
- e. What exactly caused loss / NPA slippages to the Bank? Without isolating specific causes for the loss, it will be meaningless to embark upon fixing Staff Accountability. What causes loss to the Bank is more important rather than just looking at the procedural lapses or not obtaining of certain documents, etc. This is a vital step and needs to be handled with utmost care and it forms the foundation of entire exercise.
- f. What was the exact negligence? What were they supposed to do which they did not? What did they do which they were not supposed to do? It should be borne in mind that negligence arises when there is a duty and duty is defined in terms of the laid down rules and procedures. Thus, the negligence / omission / commission should be examined with reference to the laid down rules and procedures prevailing at the relevant time and not on the basis of presumptions / assumptions or beliefs, etc.

- g. It should be critically examined whether causes for NPA / loss arose due to any negligence / commission / omission on the part of the Staff who handled the account / transactions or were beyond their control.
- h. It should also be critically examined, had the specific commission / omission not occurred, whether the NPA / loss could have been avoided. This is a crucial step in linking the commission/omission to the occurrence of NPA / loss. In the absence of this step, the exercise will end up only as list of all deviations without indicating their actual relevance to the NPA / loss.
- i. Once the specific commission / omission of the Staff, which have direct causative relationship to the loss suffered by the Bank, is identified, the stage then comes for examining them from the view point of bonafide decisions, the acts of gross negligence / recklessness / malafide etc.
- j. The Authority for Examination of Staff Accountability should ensure that the examination process has looked into the following:

“Whether a person of common prudence, working within the ambit of prescribed rules, regulations and instructions, would have taken the decision in the prevailing circumstances in commercial / operational interest of the Bank, is one possible criterion for determining bonafides of the case. A positive response to this question may indicate the existence of bonafides and negative reply on the other hand might indicate absence of bonafides.”
- k. The policy aims to ensure that only those officials who are responsible for making, checking and monitoring with respect to specific activity, are held accountable for deviations / irregularities committed and not all officials who have dealt with the account down the line.
- l. The Policy of Examination of Staff Accountability will rest on the basic premise that loss on account of genuine business decision will not attract Staff Accountability. While the loss caused due to malafide intention or flagrant violation of systems and procedures or working against the interest of the Bank or misusing the position of authority, should certainly attract accountability and the members of staff, found prima facie responsible for such acts, are liable to be sternly dealt with in accordance with the Bank’s Rules and Regulations. The motive of the Staff Accountability is not to discourage the exercise of initiative and decision making. The bank’s approach for staff accountability should be to instill confidence amongst the officials for decision making and to examine the reasons for the account turning into NPA and for non- recoverability of bank funds. Staff accountability exercise is to be carried out in the light of circumstances prevailing at the time the events occurred and not with benefit of hindsight. Isolating the specific cause(s) for the loss is an important step in fixing staff accountability.
- m. If the cause of the NPA is essentially due to external factors and beyond the control of the branch e.g. change in Government Policy, revised environmental norms, natural calamities, non-release of government subsidy/grant, and takeover of land or securities by the government agencies etc., it should not attract staff accountability.
- n. Bank officials rely on certain third party reports while processing/sanctioning loan proposal or while handling the loan account. The Standard Operating Procedure

(SOP) of the bank in respect of obtaining/ handling of third party report is to be adhered to by all officials while processing/sanctioning of loan proposals or while handling the loan account. Reports such as title investigation, valuation, audited accounts, legal opinion, stock audit, etc., from service providers are included under the preview of this clause.

- o. As far as nature of action to be initiated is concerned, a holistic view is to be taken having regard to the past track record of the concerned official / contribution made / decisions taken, circumstances of the case and the extent of relationship of the commissions / omissions to the cause of loss / expected loss. In such cases tolerance level has to be calibrated in such a manner that mistakes arising out of genuine decision making and deliberate or negligent act are seen in distinctly different manner and proceeded accordingly.

4. COMPETENT AUTHORITY FOR TAKING VIEW ON EXAMINATION OF STAFF ACCOUNTABILITY:

As per Annexure VI

5. STRUCTURE OF THE STAFF ACCOUNTABILITY EXAMINATION COMMITTEE (SAEC):

As per Annexure VII

6. PERIODICITY OF MEETING

For examination of Staff Accountability, the relevant Committee (A/B) to meet frequently as may be required, minimum once in a month. Fixing the minimum periodicity will help in streamlining the time frame for completion of examination of staff accountability.

Examination of staff accountability has to be initiated and completed within 6 months from the date of classification of the account as NPA. A cooling period of - 3- months will be allowed from the date of slippage of advance account within which if the account gets upgraded, no staff accountability is to be examined.

However the process of examination of staff accountability by submission of Process note has to be commenced immediately but not later than - 7- days from account slipping to NPA category. The same is applicable for quick mortality accounts also.

However staff accountability investigation will be carried out only in accounts which are recommended by the respective committee and continue to be in NPA category at the end of -3- months of date of slippage of respective account.

7. MONITORING SYSTEM

- I. General Manager (Incharge of Credit/NPA Management & Recovery) shall be the monitoring authority for the purpose. He shall monitor compliance of RBI guidelines in this regard and periodically apprise status of compliance to the Chairman.
- II. The Chief Manager (Credit/NPA Management & Recovery) at Head Office shall be designated as the 'Nodal Officer' at apex level to facilitate Authority for smooth

operation and effective implementation of policy.

- III. The Nodal Officer (Chief Manager of Credit/NPA Management & Recovery Dept) shall be responsible for maintenance and updation of centralized database for prima- facie existence or not of staff accountability.

After the A & B level staff accountability committee proceedings, the record of disciplinary process, if any, shall be maintained by the Disciplinary Proceedings Department / Vigilance Department.

- IV. Process notes for accountability examination, submitted by the branch/pool of officers will be referred to the relevant committee (A / B level committee) as per their purview, through proper channel with their views, as to whether examination of staff accountability is required or not.

V. **Time Line for Staff Accountability Examination & Investigation:**

Since daily degradation is being followed the staff accountability exercise will be an ongoing process.

NPA accounts upto Rs 10.00 Lakh:

For NPA accounts upto Rs 10.00 Lakh falling under A & B Level Committees, the Process notes for accountability examination as per formats prescribed in Annexure-|| along with Region comments should reach the convener of the meeting within -15- days of account degraded to NPA. The respective committee (Region/ Head office committee) has to convene its meeting and to convey its decision to Regional Office within a week from the date of SAEC meeting. Regional/Head Office to ensure to appoint investigating officer (IO) within a week of receiving of minutes of meeting.

NPA accounts above Rs 10.00 Lakh:

For NPA accounts above Rs 10.00 Lakh, the Process notes for accountability examination should be prepared as per formats prescribed in Annexure-I along with Region comments and same procedure as above is to be followed for examination of staff accountability.

However in case, if the appropriate committee decides that there is no need to conduct staff accountability, even in such cases also, Investigation to be carried out by Head Office, invariably for all NPA accounts above Rs.50.00 lakh for examination from fraud angle. If it is concluded that there is existence of fraud, then in such cases, they will also simultaneously examine the staff accountability and shall submit report to the Assigning Authority as well as to Regional Office for their further action as per policy. Regional office with their comments will submit to Vigilance department & Nodal officer at HO, for their appropriate corrective action as well as regulatory reporting. A copy of investigation report will also be sent for placing the investigation report in SAEC.

The timeline of initiation and completion of staff accountability exercise is within six months from the date of classification of the account as NPA.

- VI. The above time lines are to be adhered. Any deviation in special circumstances can be allowed only with prior permission from the General Manager (In-charge of Credit/NPA Management & Recovery).
- VII. In case the information/Process Note for accountability Examination is not received as per the stipulated time lines, the information will be treated as NIL.

- VIII. At the end of every month, the Regional Offices shall provide a list of fresh slippages during the month to the Head Office, depending upon the category of the accounts.
- IX. The Regional Offices shall submit Quarterly Reports on examination of staff accountability to the Nodal Officer at HO in the prescribed format **(Annexure – IV)** within 15 days from close of the quarter.
- X. The Nodal Officer shall consolidate the information and furnish the same to General Manager (Incharge of Credit/NPA Management & Recovery) for apprising to the Chairman.

8. PROCEDURE TO DETERMINE THE EXISTENCE OF STAFF ACCOUNTABILITY

- a. In NPA accounts with outstanding upto Rs 1.00 Lakhs as on NPA date, in general staff accountability need not be examined. There will however be some exceptions to this, staff accountability will be examined in accounts having outstanding upto Rs 1.00 lakhs where ever an account has been reported fraud or facts indicating reckless lending, malafides intentions or gross negligence or concentration of slippages of such accounts upto Rs 1.00 Lakhs in a particular Branch/ Area.
- b. In case of fresh slippages in NPA accounts, -3- months are provided as cooling period for the purpose of up-gradation of account and if account is upgraded within -3- months of slippage, no staff accountability is to be examined. However, the branch shall submit Process Note within -7- days of slippage, to their Regional Office as per Annexure-I in case of aggregate outstanding is above Rs.10.00 lakh and as per Annexure-II in case of aggregate outstanding is upto Rs.10.00 lakh only, when there is sufficient ground to believe the existence of malafides or gross negligence or there is concentration of slippages of such accounts.
- c. In accounts with outstanding upto Rs. 1.00 Lakhs, the Staff Accountability in general need not be examined. In such cases generally, neither any Process Note shall be prepared by the branches nor any investigation to be considered/conducted. However, if there are indications/reports about the existence of malafides or gross negligence or reckless financing or in case of unusual spurt / increase in slippages noticed on the basis of Inspection/Audit Reports, Complaints, etc. Staff accountability shall be examined in such cases also as per the procedure laid down for accounts beyond Rs 1.00 lakhs.
- d. Controlling offices shall also identify Branches where incidence of NPAs in this category of loans (aggregate outstanding upto Rs. 1.00 Lakhs) crosses a defined threshold as may be decided by the Head Office, from time to time. In such cases, staff accountability examination will be necessarily initiated.
- e. However, in case, the fresh slippages in NPAs of small accounts upto Rs 1.00 lakhs aggregate outstanding during the Financial Year in a branch exceeds 10% of its credit outstanding, the Regional office shall examine the entire credit portfolio of the branch and thereafter, if required, may order for an investigation. Based on the investigation report, the staff accountability shall be examined as per the procedure laid down for accounts beyond Rs 1.00 lakhs.
- f. As now increasingly many loans where in-principle sanction done digitally like in govt. sponsored schemes running through various portals, where the underwriting is done in

digital mode based on templates, such digital processes and digital underwriting will not come under the ambit of the staff accountability examination for the field staff. Digital platforms are at times being used only to generate leads prefetching certain data electronically including Applications, IDs, experience certificates, registrations CIBIL, IT/GST returns, etc. In such cases, accountability would not arise for pre-fetched data. Further, in such cases, as all other activities are in line with other loans, accountability procedure for the activities done in physical mode would also be similar for the other processes done physically. Similarly, inspection are usually required to be carried out based on triggers from Early Warning Signals/ or for SMA Accounts. Failure to do so would be within the remit of Staff Accountability.

- g. As per aforementioned circumstances, in accounts with aggregate outstanding upto Rs. 1.00 Lakhs (including Govt. Sponsored Schemes), wherever the staff Accountability is decided to be examined, it shall be examined on the basis of information provided by the branches as per Annexure-II. If the relevant Committee, i.e., A or B (Competent Authority) feels that the information provided in Annexure-II is not sufficient, it may call further information to take a view as to whether Staff accountability may exists or not, in the immediate next meeting.
- h. **Accounts above Rs 10.00 Lakhs (aggregate outstanding as on NPA date):** In case of fresh slippages in NPA accounts, -3- months are provided as cooling period for the purpose of up-gradation of account and if account is upgraded within -3- months of slippage, no staff accountability is to be examined. However, the branch shall submit Process Note within -7- days of slippage, to their Regional Office as per Annexure-I in case aggregate outstanding is above Rs.10.00 lakh, when there is sufficient ground to believe the existence of malafides or gross negligence or there is concentration of slippages of such accounts.

Staff accountability in these accounts shall be examined by A or B level committee depending upon the sanctioning authority/exposure of the loan account, to carry out a preliminary examination and filter the accounts where staff accountability is to be examined.

For preliminary examination by the committee, a brief report as per Annexure I shall be submitted to the committee by the convener, covering a summary profile of the account, reasons for account turning NPA, observations in the previous inspection/audit reports/special reports/flash reports for a period of 4 years as on the date of NPA including compliance thereof and also the chart of compliance of terms of sanction, past record of the concerned officials of the branch who have dealt with the said account; number of accounts slipped to NPA in the branch in same period and examination of the Monitoring/ status report, submitted by the branch (for at least 4 quarters prior to NPA date & post date of NPA).

If the relevant Committee, i.e., A or B (Competent Authority) feels that the information provided in Annexure-I is not sufficient, it may call further information from the branch/controlling offices or by deputing a fact finding officer (IO), if felt necessary by the committee to take a view as to whether Staff accountability exists or not in the immediate next meeting.

- i. Staff accountability need not be examined in respect of accounts where there has been no adverse remark/comment in the audit report of the preceding 4 years except fraud cases. The Audit & Inspection Department will not be directly involved in carrying out staff accountability processes or investigation in this account.

- j. In accounts with aggregate outstanding above Rs. 50 lakh (as on NPA date) procedure same as above for Rs. 10 lakh & above shall be adhered. For preliminary examination by the committee, a detailed report as per Annexure I shall be submitted to the committee by the convener, covering a summary profile of the account, reasons for account turning NPA, observations in the inspection/audit reports for a period of previous 4 years as well as other investigation/branch reports, whichever is applicable, such as:
- i. Branch Inspection Report
 - ii. Concurrent audit
 - iii. Stock audit
 - iv. Legal Audit
 - v. Credit Audit
 - vi. Statutory Audit
 - vii. Examination of the NPA status report submitted by the branch every quarter as also the internal audit reports.
 - viii. Control returns relating to Monitoring etc. along with internal/NABARD audit report & conduct of the account for the purpose of examining staff accountability.
 - ix. Any other available relevant report: such as preventive vigilance audit report, etc.
 - x. Investigation/inspection reports
 - xi. Chart of compliance of terms of sanction or disbursement, monitoring & reviews and possibilities of recovery/upgrade.

The Branch/Region shall provide all requisite inputs for this preliminary examination.

- k. Identified officer will submit the report as per Annexure III within 15 days to Regional office (for all A/B level committee accounts) with their comments and in turn Regional Office shall submit the report to Head Office with their comments for onward placing to the A or B level committee as the case may be.
- l. The respective committees (Regional Committee/Head Office committee) have to convene its meeting preferably once/twice in a month and to convey its decision to Nodal officer at Regional Committee/Head Office within a week of SAEC meeting.
- m. Credit decisions in banks are always process oriented in which Board approved policies and processes are followed by the sanctioning authorities. When an account turns NPA, the deficiency could be attributable to the Sanction Process, Documentation, and Disbursement or in Monitoring. If the committee finds material lapses in any of the above said process, the account may be referred, at the discretion of the Committee to controlling office/ arrangements as the case may be for detailed examination of staff accountability.
- n. If the A / B level committee feels that the irregularities / deviations are of routine / procedural nature and do not have any bearing on the slippage of the account into NPA, the said committee may conclude that no staff accountability exists. However, if the Committee feels that accountability may exist or is perceived in particular account/s or there is critical non-compliance or require addition information, the committee shall submit the report to Regional Office/ Head Office who will be focal point for arranging any detailed investigation, as required and for entrusting the investigation to an investigating officer (IO), to any of the following officers:
- i. Pool of officers
 - ii. officers having sufficient exposure in Credit, CBS, operations,
 - iii. Existing branch head only if the account is not sanctioned or restructured during his/her tenure in the branch.

The minutes of the meeting are sent by the committee to Regional/Head Office for appointment of Investigation officer as per account aggregate outstanding as on the date of NPA. Based on the committee's recommendations, Region/Head Office shall entrust/ arrange for carrying out detailed investigation, if the account continues to be in NPA category. In case of upgradation/ closure of the account without any sacrifice, the same will be informed to the concerned committee and the investigation proceedings to be dropped.

It will be the responsibility of concerned Regional Office to ensure that investigation is assigned to the investigating officer within seven days from date of receipt of advice from the committee. Investigating Officers will be advised to submit the investigation report as early as possible but within the prescribed timeline.

- o. After assignment of investigation, Regional Office will follow up with the Investigating Officer (IO) and ensure submission of investigation report within the given timeframe. Important points to be considered by Investigating Officer:

- ❖ Reasons for account turning NPA
- ❖ Observations contained in previous inspection/audit reports for a period of four years as on the date of NPA to be examined and chart of compliances of terms of sanction.
- ❖ Past record of the concerned officials of the branch who have dealt with the said account.
- ❖ Number of accounts slipped to NPA in the branch during the same period.
- ❖ Any special report/flash report pending in respect of the said NPA account.
- ❖ Examination of the Credit Monitoring/ Status Report submitted by the branch (for at least 4 quarters prior to NPA date and postdate of NPA).

The investigating officer will submit the investigation report in Annexure III as per timeline to the assigning authority.

Reports wherein the IO has identified staff lapses will be forwarded by the Regional Office to competent authority for placing before IAC. Reports where IO has identified no staff lapses, will be closed at Regional office/Head Office, as the case may be, and it will keep record of all such cases.

As per the extant guidelines, the role of IAC is to determine involvement of vigilance angle or otherwise. The IAC Committee shall record reasons for arriving at such a conclusion and shall send its recommendations to CVO.

- p. In cases where account earlier turned to NPA and staff accountability has been examined, but subsequently account moved to standard and then again turned to NPA, in such cases, Staff accountability will be examined afresh.
- q. **Exemption from examining staff accountability:** In borrowal accounts slipping to NPA / Quick Mortality, where account is fully adjusted without involving/causing any revenue loss to the Bank BUT BEFORE THE STAFF ACCOUNTABILITY IS DECIDED, normally in such cases, no Staff Accountability will be examined unless there are reasons/factors to conclude otherwise.
- r. Timely completion of the examination of accountability is of immense importance which helps in instilling the confidence in the system. (The Timeline for completing the examination of Staff Accountability is enclosed as **Annexure-B**)

9. PROCESS OF CONDUCTING INVESTIGATION AND FURTHER ACTION:

Where the relevant Committee (A or B) has taken a view of prima facie existence of Staff Accountability, investigation has to be conducted in all such cases.

- Investigation shall be assigned by Region as per bank's extant guidelines. Investigating Officer (IO) shall carry out in-depth investigation and if prima facie any employee is found accountable, IO shall obtain version of that employee along with the format of investigation report, before reporting irregularities/lapses against the employee.
- Authority for entrusting investigation / Level of Officers for conducting Investigation is enclosed as **Annexure-VIII**.
- IO shall submit investigation report to the respective A / B level committee for vetting of the report. The respective committee shall critically examine and take a holistic view while vetting the report and obtain further clarification, if required.
- The committee shall examine the investigation report broadly on the following parameters and give their views accordingly:
 - ✓ Whether report has been prepared by IO as per the prescribed format and in terms of Bank's Policy on Examination of Staff Accountability and Bank's Service Rules & Regulations and Bank's Pension Regulations etc.
 - ✓ Irregularities/lapses have been specifically identified by IO and they are supported by documentary evidence and/or are in line with the prescribed guidelines issued from time to time by Bank/RBI/NABARD/GOI etc.
 - ✓ The erring officials have been correctly identified & lapses are attributed to them as per their job roles.
 - ✓ The IO has clearly spelt out in his report the main reasons for failure of the business either on the part of the borrower or may be internal / external factors which led to the account slipping into NPA category.
- The Committee shall also peruse the version submitted by employees against whom irregularities have been reported. Committee shall take a view/ decision on need for calling further explanation of the employee/s or not.
- In cases of those employees where committee feels that there is no need to call for further explanation because the version submitted by the employee is sufficient for taking a view, the committee shall give its view/ decision for not calling further explanations of such employees. However, in case of employees to whom Explanatory Note was not issued, the matter against them will also be referred to the Vigilance Department along with views/comments of the RO and version submitted by the employee to the Investigating Officer for onward action for closure or as deemed fit in the concerned case.
- Final investigation report vetted by the A / B level committee shall be submitted to the Vigilance Department, Head Office.

- On the basis of vetted investigation report, if any irregularity/lapse is reported against an employee/ex-employee, further explanation of only those employees for whom the committee recommends, will be called by respective Competent Authority as detailed in **Annexure-V**
- Reply to the Explanatory Note (EN) shall be submitted by the employee to the respective Competent Authorities (as detailed in **Annexure-V**) who will forward the same to the Vigilance Dept at HO, for taking a view as regards attribution of lapses and acceptability of reply submitted by the employee and referring the matter to the Internal Advisory Committee (IAC) along with their views/comments in tabular format statements and entire set of papers. As per guidelines only actionable cases need to be referred to IAC for classification as vigilance or non-vigilance.
- IAC will take a view as regards classification of the case as Vigilance or otherwise (non-vigilance) and act accordingly.
- All cases where Staff Accountability has been ascribed are routed through CVO irrespective of their being Vigilance or Non-Vigilance..
- CVO shall advise his views/decision and send the matter to the respective Disciplinary Authority (DA), for initiating further action.
- DA shall take a view as regards nature of penalty proceedings (Major/Minor) to be initiated against the erring official and accordingly, submit First Stage Reference (FSR) to the Chief Vigilance Officer (CVO) if the case is classified as Vigilance or to the Central Authority for Non-Vigilance Financial Cases, if the case is classified as Non-Vigilance.
- On receipt of First Stage Advice (FSA) from the Chief Vigilance Officer / Central Authority for Non-Vigilance Financial Cases, Regular Departmental Action (RDA) will be initiated by the respective DA by issuing Charge Sheet / Imputation of Lapses, as the case may be.
- Examination of staff accountability by Disciplinary authority (DA) based on the investigation report: On receipt of the Investigation Report and after classification of cases by CVO, the DA will examine the Staff Accountability and should arrive at one of the following conclusions:
On observation of staff accountability on the part of employee/s, the DA will commence disciplinary proceedings against the erring staff member/s.
In case there are lapses identified by the IO against the concerned officials and later on, it is found by the DA on the basis of facts and supporting documents that lapses / irregularities identified actually do not pertain to or are not attributable to the concerned official/s, the DA may establish that there is no Staff accountability.
- In case the Investigation Report is found to be factually incorrect with regard to the identification of official/s accountable for the lapses, a serious view be taken with regard to the accountability of the Investigating Officer and Vigilance Department should report the lapses on account of Investigating Officer to Investigation assigning authority.

In the entire process of Examination of Staff Accountability, where there are only procedural lapses not resulting into account becoming NPA / causing loss to the Bank,

in arriving at a view for establishing Staff Accountability, the principles of fair play, transparency and judicially balanced views have to be exhibited.

10. PREVIOUS PERIOD TO BE COVERED FOR EXAMINING THE STAFF ACCOUNTABILITY

- a. -4- Years period before retirement / voluntary retirement/ resignation of an official to be verified for Staff Accountability.
- b. No Departmental proceedings against retired employees can be initiated, if not initiated while the employee was in service, for any of his actions, taken prior to -4- years as per Bank's Employees' Pensions Regulations, even in cases of frauds, quick mortality. Such cases need not be referred to vigilance department for classification. Four years restriction starts from the date of event / irregularity (ie. sanction / review / enhancement / disbursement etc) and not from the date of detection. In case of Fraud, the period is counted from the date of occurrence of fraud and not from the date of detection.

- c. In case of NPA accounts, the period of -48- months should be covered prior to date of NPA (In case of restructured accounts, period of -48- months to be reckoned from the quarter in which the account has slipped) which should cover internal inspection, regular review/ review with increase and stock audit/ Statutory Audit/ Stock Inspection & various other audits.

Time limit will not apply in case of frauds, other criminal offences or cases where malafides are inferable.

- d. Endeavour should be made to ensure that the accountability process in case of retiring official is completed / concluded at least six months before the date of retirement.

No disciplinary proceeding will ordinarily lie against any official for any lapse not detected in -3- successive internal regular inspections which will however be subject to coverage of minimum -4- years' period from the date of event/ occurrence of the lapse.

However, the above time limits will not apply to cases where the involvement of the employee is identified in

- a) Frauds.
- b) Other criminal offences as per the law of the land.

11. CAVEATS IN EXAMINATION OF STAFF ACCOUNTABILITY

As stated in the beginning, accountability encompasses all actions of an employee at a workplace. For a financial institution, the accountability framework finds major applicability in credit management. Examination of staff accountability has clear objectives as outlined initially. Certain caveats are, however, in order:

- Examination of lapses should not be done with hindsight and circumstances prevailing at the relevant time must be taken into account.
- Whether the business decision taken was bona-fide or had intentional negligence/ recklessness/ deliberate malfeasance, should be carefully looked into.

- If there were any contributing factors to the account turning NPA, then these need to be clearly brought out outlining the impact of the same. Where the account has turned NPA solely as a result of external factors, mere existence of procedural/ operational lapses on part of officials in sanction of the credit facility should not form the basis for ascribing accountability.
- Responsibility needs to be fixed where it lies e.g. in an account turned NPA due to improper monitoring, accountability should not be ascribed on officials involved at sanctioning level.
- Past track record of the officials in appraisal/ sanction/ monitoring should be given due weightage
- Materiality of the alleged omission/ commission
- Recovery probabilities

12. BASIS FOR EXAMINATION OF STAFF ACCOUNTABILITY IN QUICK MORTALITY ACCOUNTS/ RESTRUCTURED/ CONSORTIUM ACCOUNTS:

a. QUICK MORTALITY ACCOUNTS

The Advances Accounts, where mortality takes place within one year of first sanction / take over / disbursement, whichever is later, shall be identified as Quick Mortality Accounts.

In case of Term Loans, where repayment with moratorium has been permitted or Commercial Operation Date (COD) is fixed or where moratorium period / COD is extended by the Appropriate Authority within permissible guidelines, for the purpose of identifying the account as Quick Mortality Account, the period of one year shall be reckoned from the date of first installment and/or interest fallen due for repayment after the moratorium / COD / extended moratorium or COD.

In the above perspective, while reporting of accounts as Quick Mortality Cases, an administrative view be taken if 'mortality' has taken place within one year of sanction / take over / disbursement as above. An account may not be classified as Quick Mortality Account merely on the ground that interest / installment could not be deposited. Regional Head should get satisfied with regard to the mortality of the account, keeping in view the position of available security, level of activity and prospects of recovery and regularization of the account.

It will be the responsibility of the Senior Manager at RO looking after Credit/NPA Management & Recovery portfolio to identify and keep proper record of Quick Mortality cases and report to the higher authorities as per instructions from time to time. Non- identification and non-reporting of Quick Mortality cases to be viewed seriously and shall attract Staff Accountability.

In Quick Mortality cases with outstanding upto Rs 1.00 Lakhs as on NPA date, staff accountability need not to be examined, provided that Regional office has sufficient grounds to ensure that there is no evidence of malafides, reckless lending, impersonation, misutilization of Govt. Subsidy, etc. and the slippage in quick mortality cases is not restricted to a specific scheme in any specific region or branch.

In case investigation is to be carried out in accounts upto Rs 1.00 Lakh, then the Staff Accountability shall be examined on the basis of Annual Inspection Reports, Special Letters / Special Observation Letters, RBI Reports, Concurrent Audit Report, etc. and Annexure II would be prepared.

For all the cases above Rs 1.00 Lakh, the process as discussed above will be followed.

b. RESTRUCTURED ACCOUNTS:

At times, need may arise where restructuring is required to revive the units and in genuine cases, Official/s may undertake the restructuring exercise. In such cases, the following guidelines will be applied:

- i) If in the interest of the Bank, restructuring of the account has been done as per Bank's guidelines, without increasing Bank's exposure and/or without diluting the available securities and such restructuring fails, no Staff Accountability shall be fixed for the same, provided there were no major irregularities persisting at the time of restructuring, which continued till account slipped into NPA.
- ii) Similarly, if operation in the account is allowed by the appropriate authority after tagging a part of the credits / sale proceeds deposited for regularization of irregular or NPA account, no Staff Accountability shall be fixed, if Bank's guidelines in this regard are adhered to.
- iii) Where the limits are renewed with enhancement as part of restructuring even if there are some deficiencies in the operation of the account and if the enhancement of limit was intended for revival of the viable unit, no Staff Accountability shall be fixed on the recommending officials / Sanctioning Authority for restructuring the account, if the same has been done as per extant guidelines.
- iv) In case NPA accounts are taken up for restructuring as per extant guidelines, Staff Accountability up to date of NPA shall be examined separately so that restructuring process is not delayed.
- v) The above guidelines will not be applicable in respect of frauds where Staff Accountability shall be examined.

c. CONSORTIUM ADVANCES:

In case of Consortium Advances, the pre-sanction appraisal / disbursement is being done jointly by all Consortium Member Banks. In such cases, if the account turns to NPA, the relevant Committee (Competent Authority) may take a view regarding Staff accountability in line with the Consortium Members, if the Leader / majority of the members of the Consortium is/are of the view that the account has gone bad for the reasons beyond the control of the Bank's officials and no malafide is suspected on the part of the Bank's officials.

13. GUIDELINES FOR CARRYING OUT INVESTIGATION:

The Investigating Officer should have sufficient knowledge of the instructions, procedures and guidelines of the Bank. In any case he/she will acquaint himself/herself fully with all these procedures before proceeding with the task assigned to him/her.

The Investigating Officer to be given following guidelines for carrying out the investigation:

The objective and focus of the investigation is to be as per mandate of the investigation and the IO to specifically identify the reasons responsible for the account slipping to NPA. It is to further find out; whether such reasons are due to the commission / omission on the part of the particular official/s. IO to critically examine the factors, i.e., internal or external due to which quality of assets financed has deteriorated.

Internal: Whether the credit facilities assessed were within the framework of the Lending Policy of the Bank; proper verification of credentials of Promoters / Borrowers / Guarantors, Documentation, proper charging of Securities and post-sanction monitoring / follow up were done in terms of Bank's guidelines.

External: The quality of assets has deteriorated due to economic slowdown, changed Govt. Policy, etc., fraud committed by the borrower or on account of any other relevant factors.

While compiling their Report, they should avoid making value judgments and words, like, should be, would be, ought to be, need to be, etc.

The report should clearly bring out the reasons for account becoming NPA (Whether Account specific / Industry specific / Area specific). **The IO should act as FACT FINDER and not as a FAULT FINDER.**

The fact finding process should take a comprehensive view of the reasons for the account turning into NPA including omissions and commissions.

The IO will prepare the Report in the prescribed format as per **Annexure-III** as per mandate provided to him and give the factual position, role and responsibility of the official/s involved along with specific instances of non-compliance of the guidelines / Instructions at different stages and its linkage to the slippage of the accounts into NPA category.

Similarly, IO should refer the job role of various authorities as given in **Annexure-A**, as guidance while attributing lapses to an official and will also hear the erring officer.

The IO will also submit the Bio-data of erring official/s, as given in Annexure III.

The IO while mentioning the deviation / irregularities will correlate with supporting documents and provide copies of such supporting documents in the form of annexure/s to the Investigation Report and comment on the hearing of the erring officer(s).

The IO will look into the period of service of official/s identified in his Report with the help of concerned Regional Office and will ensure that the concerned official/s were actually posted at the branch / office as on date of occurrence of deviation / irregularities / lapses and were prima facie responsible for the same in terms of their job-role.

The IO will also make special mention if the concerned official is retiring within a period of one year, so that all relevant authorities endeavor to ensure that the accountability process particularly in case of retiring official is completed / concluded at least six months before the date of retirement.

The IO will also look into the aspect and report whether there were any instances of failure on the part of the Concurrent Auditor in timely reporting of any serious irregularities, which have led to the account slipping into NPA category. The IO while examining the accountability shall look into the role of

- a) Inspecting Officials in carrying out the Inspection as per guidelines and in timely reporting of the serious irregularity(ies). Also, if the findings / adverse features are not brought in the Inspection Report, then the accountability of Inspecting Officers to be examined.
- b) Third Party Professionals
 - (i) in carrying out the assigned role as per Bank's guidelines
 - (ii) in timely reporting of irregularities.
Bank may lodge a formal complaint against the TPP with IBA / appropriate authorities for further action.
 - (iii) In case of any falsification of accounts on the part of the Borrowers is observed by the Bank / in case the Auditors were negligent or deficient in conducting the audit of borrowers account, Bank may lodge formal complaint with ICAI to enable the ICAI to examine and fix accountability of the Auditor.

14. BROAD AREAS OF RESPONSIBILITIES/JOB ROLES OF VARIOUS OFFICIALS FOR ATTRIBUTION OF LAPSES BY IOs

While examining the staff accountability aspect, the IO to take into consideration the Job-Role / Area of Responsibility of different officials, which are broadly brought out in Annexure A.

Accountability of the successor, supervisory authorities, PSR authorities & others are to be viewed as follows:

a. ACCOUNTABILITY OF THE SUCCESSOR:

The Staff Accountability should also cover any in-action on the part of the new incumbent in the Branch / Regional Office to own responsibility in respect of all accounts handled by the previous incumbent especially monitoring and follow up of pending matters, existing accounts, SMA accounts, NPA accounts, nurturing/recovery proceedings etc. Besides this act of omission/ failure on the part of any staff in initiating the recovery action, taking action under SARFAESI Act, handling PWO accounts, delay in fixing of Reserve Price and Sale Confirmation etc. should attract the staff accountability. Efforts made in this respect need to be well documented.

b. SUPERVISORY LAPSES:

Regional Office gets firsthand information on the functioning of the branches under their control. Any laxity in internal control, sudden spurt in advances, frequent deviation from set guidelines and exceeding the delegated powers without obtaining confirmation from Competent Authority at the branches which come to the light on perusal of the Daily or weekly data/Control Returns / Periodical Visit Report of the Executives / Inspection Reports / Handing/Taking Over Charge Report submitted by outgoing and incoming Branch Head, needs immediate corrective action. If they fail to take corrective steps on time, the same should be treated as Supervisory Lapse and Staff Accountability of the concerned Official/s at

Regional to be examined.

At Regional Office, official/s should ensure follow up for compliance of terms and conditions stipulated in the sanction as and when such non-compliance comes to their notice through MMRs, Concurrent Audit Reports, and Inspection Reports.

c. RELIANCE ON EXPERT/PROFESSIONAL REPORTS, OPINIONS:

Where the Appraising / Recommending / Sanctioning Authority has relied on the views, opinions, reports, etc., obtained from Experts/Professionals, like Advocates, Architects, Chartered Accountants, Valuers, Engineers, Goldsmiths, etc., who are on Bank's Approved Panel / appointed by the Bank/Consortium, ordinarily no accountability will devolve on Appraising / Recommending / Sanctioning Authority, if at a later stage it is revealed that such views, opinions, reports, etc., were incorrect or false or misleading – provided that such Authority has obtained the Reports in the prescribed format and complied with the observations made therein. Even though in the normal course of credit appraisals, services of experts from non-core activities, like, Legal, Valuation, IT Returns Verification, Stocks / Assets Verification, Technical Valuation, TEV Study, Gold Appraisal, etc. are utilized, the officials are required to ensure compliance of Bank's extant guidelines issued from time to time.

d. PSR AUTHORITY:

The Sanctioning Authority has to carefully ensure compliance of the Bank's guidelines for pre-sanction appraisal, processing of the proposals, sanction and disbursement, periodic monitoring, inspection/verification of the securities charged to the bank and documentation. The PSR system of the Bank does not envisage re-appraisal of the proposal by the PSR Authority. Hence the lapses, if any attributed to Appraising/ Recommending/Sanctioning Authority by the IO, should not be attributed to the PSR Authority and the DA should keep this aspect in mind during the course of examining the Staff Accountability.

In cases where the PSR observations / noting, if any, are not sent to the Sanctioning authority on account of the lapse on the part of the Credit Department in placing the same before the PSR Authority, the accountability if any, shall lie on the concerned official/s in the Credit Department and not on the PSR authority.

e. OTHER RELEVANT ASPECTS:

Various observations from Internal Auditor Inspection Report should not be just copied except those particular lapses which have contributed towards account becoming NPA.

Relevant enclosures for the purpose of evidence only should be attached with the Investigation Report so that it does not become bulky without any purpose.

PSR general observations should not become part of investigation report unless non-compliance of specific observations contributed towards account becoming NPA.

In the present era of CBS environment, the Clearing cheques of Cash Credit accounts are passed at City Back Office. In such a situation, it becomes difficult at the base branch of a borrowal account to monitor the diversion of funds, if any, in the Working Capital Cash Credit account through day-to-day transactions. The IO, therefore, to take proper care while commenting on the aspect of diversion of funds

in CBS / e-banking environment. If diversion of funds in Working Capital Cash Credit accounts is subsequently established through Forensic Audit by a professional, the Bank Official/s should not be held accountable unless there is specific involvement on their part.

As far as Term Loan is concerned, the base branch should invariably ensure the end-use for the purpose for which the loan is sanctioned.

The IOs after scrupulous compliance to the above guidelines shall carry out the fact findings and prepare the Investigation.

Investigating officers (IO) should complete required details in the format keeping in view the KRAs (Key Responsibility Areas) allotted to individual officer / employee and he should also ensure their presence in the office during that particular period of alleged lapse.

15. EXAMINATION OF STAFF ACCOUNTABILITY IN OPERATIONAL MATTERS (CREDIT / NON-CREDIT):

There can be general non-compliance of rules / regulations in operational matters or other serious lapses in those operations areas (as listed) or in other operational areas which have caused losses / or have potential to cause losses (monetary or otherwise) and may need to be examined for staff accountability and thereby brought under the ambit of the instant policy for examination of Staff Accountability.

Broad areas covered under non-credit matters: list is suggestive

- Liability side
- Operations
- Alternate Delivery Channels – Digital Banking
- Investments
- Premises Related Matters
- Procurement including engagement of third party service providers/entities/vendors
- Third party products
- Non-credit Frauds : Related to cheques, impersonation, KYC
- Complaints
- Behavioral Issues of Employee(s)

In case of malfeasance arising out of operational matters, i.e., Credit/ non-Credit operations, Administrative Functions, etc., cases for Examination of Staff Accountability may arise out of any incident that is detected at branch or other office through various sources, such as given below:

- a. Special Observation/Special Letters
- b. Audit/Inspection Reports/RBI Reports/NABARD Reports /Local Regulator report for internal operations.
- c. Control Returns/Branch Visit Reports
- d. Detection of Frauds
- e. Complaints
- f. Misbehaviour
- g. Harassment
- h. Criminal Conspiracy, etc.

In respect of lapses in operational areas and cases of frauds, the authority and

jurisdiction to examine staff accountability will be at least one grade/ scale higher than the staff member whose action might have been the proximate cause of such operational irregularity.

Complaints - As per extant CVC guidelines, 'no action would be taken on anonymous/pseudonymous complaints'.

The Monitoring Authority for Staff Accountability in Operational Areas: Chief Compliance Officer with the support of GM (Operations & Services) .

The Areas of accountability in Non-Credit Transactions could be as under:

In respect of NPA in Non-Borrowal accounts due to cheque related frauds, passed/debited either for cash payments or by transfer/clearing by an official at base branch or inter SOL transactions at other SOLs which later on turn out to be forged/ not genuine; in such cases, the official who have entered /verified/passed the cheque/instrument are accountable, if required safeguards/procedures including verification of cheque under UV lamp machine are not taken or followed.

However in case of truncated instruments received in clearing passed by the back office/branch office officials, which later on turn to be forged/not genuine, in such cases officials who have verified/passed the cheque/instruments are not accountable, if required safeguards/procedures including verification of signatures with Bank's record are taken care of as only image of the instrument is available and not the actual instrument.

If the cheque contained apparent errors /mistakes and proceeds of cheques of large amount (disproportionate to the value/risk category of the account) has been credited to the accounts, in such cases, the concerned official/s will be held accountable if the account is non KYC compliant.

In respect of newly opened accounts, dummy accounts and low value accounts, where credit/s of large amount/s was/were afforded and subsequently fraud is detected in the said account, accountability be examined on the part of official/s involved in passing/crediting the amount and also on the part of officials at Base Branch responsible for checking of mandatory reports.

It is incumbent upon the concerned official to establish that he/she did proper due diligence before affording the credit and taken care of all prescribed applicable guidelines, where debits or credits of large value are allowed.

In case of perceived fraud in cheque payment or cloning of cheque, bank seeks an outside expert opinion as to the possibility of detection of defect in the instrument. The deficiencies observed by expert may not be possible to be detected through naked eye. This aspect should be kept in view while identifying lapse and holding person responsible for lapse. In case UV lamp is not provided in the branch or is provided but not found in order, where cheque related fraud has taken place, the incumbent charge of the branch / back office is accountable. In case of large branches, the in-charge of the Operations Deptt. will be accountable.

In respect of payment of fake cheques in clearing, the official at the Base Branch shall be accountable if there is non-compliance of the guidelines of generation of Off-SOL Clearing Transaction Report and taking confirmation of the genuineness of the cheque from the customer.

In respect of outward clearing cheque and collection of outstation cheques, the officials

/ staff who verified and passed the voucher for credit to the account shall be accountable, if guidelines are not adhered to in terms of roles and responsibilities of the collecting banker.

In case of non-compliance of KYC and AML Related Policy and procedural guidelines of the Bank / RBI / Local Regulator (Internal Operations), in opening and servicing accounts, which exposes the Bank to legal and financial risk, the concerned official shall be held accountable for non-compliance.

In respect of misuse of Password and sharing of Password, the employee / officer whose Password is misused/shared will be accountable for the lapses along with the official / staff who commits the fraud or passes debit / credit using the Password of the others.

An Official shall be held accountable for non-compliance of Bank's guidelines that no financial / non-financial transactions to be undertaken on email request (on standalone basis) in the NRE accounts resulting into email fraud.

16. EXAMINATION OF STAFF ACCOUNTABILITY IN RESPECT OF FRAUD/SUSPECTED FRAUD

In respect of Fraud / Suspected Fraud in borrowal / non-borrowal accounts and other accounts, investigation is to be carried out immediately by the respective Regional Office on detection of the same at any Branch / Office. In case of High Value Fraud Cases i.e. where amount involved is of Rs.1.00 Crore & above, investigation to examine staff accountability be carried out by Vigilance Department.

As per the policy on Fraud Risk Management, Special Investigation Team (SIT) led by the vigilance department will carry out the complete investigation from Fraud & Staff Angle. The final investigation report should be completed within 14 days of detection of fraud.

The SIT should finalize the fraud report in consultation with the Fraud Risk Management so as to identify any Staff Involvement in the fraud case. The Report should detail clearly whether the frauds was / were committed

- i. By employees in collusion with outsiders who may or may not be the customer of the bank.
- ii. By Outsiders / Customers with insider support / Involvement
- iii. Exclusively by outsider who may or may not be the customer of the bank.
- iv. such that the lapses on the part of the staff as regards to "Negligence" or "Malafide" led to occurrence of Fraud or there was absence of both.

Besides the above, if staff members are found to be involved in the fraud, a complaint against him is to be lodged with the law enforcing agency in accordance with the RBI direction. Staff accountability should not be held up on account of the case being filed with law enforcement agencies. Both the proceedings in police authority / court and domestic enquiry may be conducted simultaneously.

When investigation is concluded from fraud as well as staff accountability angle in any account, the same report should be taken into cognizance if any further investigation is to be conducted in the same account in future.

In case of staff lapses observed, regular process will be initiated.

17. Validity Period of the Policy/Modification in Policy:

This Policy will be valid for a period of 3 years w.e.f. approval of Honb'le Board and a review of the same may be undertaken at any time before due date, as per requirements. The Chairman may allow continuation of the policy for a maximum period of 6 months from the due date of review in case the policy is not reviewed on or before due date.

Chairman will be authorized to approve minor changes in the policy as per any fresh CVC/Govt/RBI/ NABARD directions that may be received from time to time.

Job Roles of various authorities

Investigating Officer to refer to guidelines while carrying out Investigation, while attributing lapses as per job-role of various authorities. The following job roles are illustrative and not exhaustive and are listed for guidance of investigating officer.

	Job Roles	Attributing lapses/officials accountable
1.	Appraising / Processing Authority	
a.	Quality of appraisal and lacuna observed if any (comments to be made in the area of projection / actual, their justification, adequacy of limit if any competition, marketability of the Products etc.)	Processing officers at all levels i.e. Branch Regional office/ AO office / Head office.
b.	Whether genuineness of the financial statement submitted by the borrower verified.	Processing stage, At proposal Originating Level.
c.	Whether Title Clearance Report and Valuation Report was obtained as per Bank's extant guidelines for properties to be mortgaged.	
d.	Whether the properties are identified and Mortgage-able as per Title Clearance Report and Valuation Report.	
e.	<p>Whether Pre-sanction Inspection / independent verification has been done for the properties proposed/to be mortgaged.</p> <ul style="list-style-type: none"> Name of the officials who conducted visit of property and date of report and observation. Valuation of other collateral offered if any, say Plant & Machinery / shares / bonds/NSC/KVP / LIC Policy etc. have been verified or not ? if verified by whom ? Deficiencies noticed in valuation report of the properties offered as security 	<ul style="list-style-type: none"> If adverse remarks of pre sanction inspection reports are overlooked by the appraising/processing officer, then the accountability will be resting with him. If the findings / adverse features are not brought in the inspection report then the inspecting officers will be accountable.

	f	Whether details of accounts maintained with other Banks, facility enjoyed, conduct of the account by obtaining bank's report, statement of accounts, Incorporation of information exchanged in Multiple Banking/ Consortium /Joint Lending as per norms etc. was advised to the Sanctioning Authority.	Processing stage, At proposal Originating Level.
	g	Non-generation and examination of CIBIL / Credit Bureau Report, Defaulters list of RBI etc / OR failure to comment/ point-out the same	
	h	Whether search / verification of the property has been done through CERSAI portal.	
	i	Discrepancies (<i>including genuineness</i>) in Existing Loan Accounts of the borrower with our Bank or any write- off / compromise considered in the past.	
	j	Deficiency in incorporating the comments on conduct of the group /Associate accounts if any and review status thereof.	At all processing levels i.e. Branch / Region/ AO/ HO
	k	Deficiencies in assessment of credit limits as per Scheme Specific/ Bank's General guidelines, takeover guidelines etc. Whether assessment of credit limits done as per Scheme Specific/ Bank's General guidelines.	
	l	Deficiency / irregularity in mentioning / incorporating details of deviation from scheme/ policy norms e.g. margin, income criteria repayment capacity, security etc.	
	m	Status of relevant Statutory Clearances / Licenses, etc.	
	n	Whether status of implementation of project / Rehabilitation / restructuring commented upon.	Processing stage, At proposal Originating Level.
	o	Status of Outstanding Statutory dues – (Income Tax, Staff Gratuity etc) based on last Audited Balance Sheet ascertained & incorporated.	
	p	Incorporation of uncomplained Terms & Conditions in Existing Sanction.	
	q	Incorporation of observations made under Borrowers' Statutory Auditors / Bank's Statutory Audit / RBI Inspection/ Concurrent Audit/ Internal Audit / Credit Audit / Legal Audit taken care of.	

- Concealment/ non-reporting of irregularities, (at originating level)
- Ignoring/ overlooking irregularities impacting the credit decisions.(at all further levels)

	r	Incorporation of due diligence certificate obtained wherever applicable.	Processing stage, At proposal Originating Level.
2.	Recommending Authority		
	a	Assessing aspect of the proposal (giving view on acceptability of the promoters and proposal being within the policy / guidelines of the Bank and adhering to the prescribed norms).	At all Recommending Levels.
	b	To ensure deviation from prescribed norms / procedures are clearly brought out in the proposal with justification.	At all Recommending Levels.
3	Sanctioning Authority		
	a	Whether sanction is within the Delegated Power?	Sanctioning Authority
	b	Whether proposal covers macro level perception of the promoters/ market scenario/ broad norms prescribed by Bank, RBI, Govt. of India and other Regulatory Bodies	
	c	Whether specific comments / views / stipulations are in order with justification for any deviation from the prescribed norms	Sanctioning Authority to evaluate the acceptability of deviation.
	d	While sanctioning the advances whether due care was taken to ensure that Audited Balance sheet obtained as per guidelines and important Financial Ratios such as Current Ratio, Debt Equity Ratio, Debt Security Coverage Ratio, Interest Covered Ratio etc. were as per Bank's norms.	Sanctioning Authority
	e	Whether due approval for deviation in Financial Ratio was obtained as per credit policy?	
	f	Whether proposal submitted to Competent Authority for PSR? Whether observations of the PSR Authority were Complied with?	
	g	Whether pre-sanction and pre-disbursement inspection carried out and findings were satisfactory.	Sanctioning Authority to evaluate the acceptability.
4	Documentation and disbursement		
	a	Were the terms and conditions accepted by the borrowers / guarantors	Officials involved in documentation and disbursement.
	b	Documents are correct, complete in all respects, valid and enforceable and whether all covenants are duly incorporated	
	c	Whether the documents advised in TIR/NEC by the Advocate were obtained before creation of mortgage	
	d	If the documents were Vetted by Legal Office & a certificate was obtained from him regarding enforceability?	Officials involved in documentation and disbursement and also the official signing attestation memo along with the official vetted documents.

	e	Status of creation of EM and comments on its enforceability	Officials involved in documentation and disbursement and also the official signing attestation memo.
	f	Whether charges were filed with CERSAI? If yes, whether Bank charge is reflected correctly	
	g	Were the documents revived subsequent to the original obtention	
	h	Whether all details in CBS, such as borrowers profile, segment, activity, product limit, interchangeability, rating, pricing, disbursement, repayment schedule etc. verified before disbursal.	Officials involved in account opening
	i	Whether all the Pre-disbursal conditions were complied with before disbursal of the loan	Officials involved in disbursement
	j	Whether authority for disbursement obtained in prescribed format	
5	Monitoring:		
		Stock Statement	
	i.	Whether Stock Statement was verified before 1 st disbursement	Officials involved in various monitoring functions i.e. Incharge of Credit department and Branch Head.
	ii.	Whether Stock Statements were received as per the prescribed periodicity	
	iii.	Whether slow / nonmoving stocks and receivables beyond the cover period commented upon	
	iv.	Was the Drawing Power computed correctly	
	v.	Any other adverse features noticed and brought to the notice of the Appropriate Authority	
	b.	Whether MMR/QMR (wherever applicable) were received at the prescribed periodicity and analyzed? Any corrective action taken?	
	c	Whether Exchange of Information (in case of Consortium, if applicable, Accounts and Multiple Banking Accounts) was done as per extant instructions	
	d	i. The periodicity of inspection of movables / immovable assets	
		ii. Was it adhered to	
		iii. Adverse remarks made by the Inspecting Officials on the last 3 reports, if any, and action taken thereof.	
	e	i. What was the stipulation regarding insurance and compliance thereof	Officials involved in various monitoring functions.
		ii. Whether all the associated risks have been covered adequately	
	f	i. Whether stock Audit (wherever applicable) has been conducted as per the prescribed periodicity	

		ii. Adverse comments made by the Stock Auditor, if any, and corrective action taken	
	g	i. Was the valuation of security (Primary/Collateral) by an approved valuer done as per prescribed norms? If so, when	
		ii. Was there any downward slide in the value of the property?	
		iii. If so, what action was taken?	
	h	Details of pending audit irregularities of the last audit taken in the account by Internal Auditor / Statutory Auditor / Stock Auditor / Concurrent Auditor	
	i	Action taken to rectify the irregularities pointed out by the Auditors	
	j	Whether the irregularities of last audit undertaken in the account by Internal Auditor / Statutory Auditor / Stock Auditor / Concurrent Auditor are rectified / action taken for rectification	Officials involved in various monitoring functions.
	k	Whether any other limit / excesses allowed over sanctioned limit were duly reported and it was within delegated authority. If within delegated authority, whether confirmation was sought	
	l	Whether ECGC / CGTMSE claims preferred. If rejected, reasons for rejection and name of officials responsible for rejection	
	m	Whether IRAC norms adhered?	
6		Supervisory lapses at Regional Office / Administrative Office	
	a	Whether analysis of all monitoring Returns done and adverse features reported to the appropriate authority	Officers dealing with monitoring returns.
	b	Whether sudden fall in advances in the branches satisfied upon and adverse observations if any reported to appropriate authority.	Even sudden spurt in advances in the branches to be satisfied upon.
	c	Whether follow for the rectification of serious irregularities pointed out in the Internal Audit Report / Concurrent Audit Report / other Audit Report done and ensured	Dealing officers at controlling office.
	d	Whether corrective action taken for the irregularities / lapses pointed out in the charge handing over / taking over report	Dealing officers at controlling office.

Annexure – B

Timeline to be adhered to in Staff Accountability (SA) exercise:

Sl.No.	Various Stages in SA	Timelines	Justification
1	Cooling period for examination of existence of staff accountability	3 Months from the date on which account has slipped to NPA	To explore the possibility of upgradation / recovery / settlement of the account
2	Examination of the existence of staff accountability by committee (A & B level committee)	-15- days from the date of on which account has slipped to NPA	The papers i.e. Annexure I,II etc. should reach to A or B level committee to discuss and examine for existence of staff accountability.
3	The report / minutes of the meeting to reach HO and investigation to be assigned to investigating officer.	-15- days from the date of minutes reaching HO	Identifying officer for investigation and assigning the job to be within -15- days.
4	Period for investigation	-4- weeks from the date of assignment	The investigation report to be submitted on or before the end of 4th week to the assigning authority & appropriate committee (A & B level committee)
5	Examination of staff accountability based on Investigation report received from IO	-2- weeks from the date of receipt of investigation report	In 5 months from the end of cooling period the reports duly vetted by committee (A & B level) to reach HO

**PROCESS NOTE FOR CONSIDERATION OF HO/RO LEVEL COMMITTEE (A. B).
FOR EXAMINATION OF THE REASONS FOR ACCOUNT BECOMING NPA & ALSO
EXAMINATION OF STAFF ACCOUNTABILITY IN NPA ACCOUNTS**

1. Branch / Region / Area :
2. Name of the Borrower :
3. Constitution :
4. Line of Activity :
5. Nature of limits sanctioned & present position :

(Separate sheet may be attached if required)

(Amt in lac)

Nature of Facility	Sanctioned Limit	Outstanding as on
Total		

6. Securities available :
(Separate sheet may be attached, if required)
 - a) Primary security and its realizable value
 - b) Collateral security and its realizable value
 - c) Last LAD date
 - d) Whether the documents are in order and securities are enforceable
7. Credit Rating for last 4 years :
8. Date of NPA & Asset Classification :
9. Banking arrangement :
 - a) Sole/Multiple/Consortium: If Consortium or Multiple banking arrangement, total exposure of the borrower with member Banks / Institutions with outstanding, limit and overdue, if any. Also Asset Classification in each of the member / participating Banks / Institutions to be given.
 - b) Whether group account: If yes, names of associate / sister concerns, their limits, outstanding with us and other Banks if any and the asset classification in

each of the member / participating Banks / Institutions to be given.

- c) If associate / sister concern account with us is NPA, status of examination of staff accountability.

10. Critical evaluation by the branch for the causes / reasons that led the account to becoming NPA (Comprehensive analysis to be made by the branch) :

Branch should comment on the following broad points in detail:

- a) Whether it is a Business failure?
- b) Whether it is a failure on the part of the Management of the Firm / Company?
- c) Whether the account became NPA because of the Regulatory decisions / involvement?
- d) Whether there is any diversion of funds by the party & what actions branch has taken to control the same?
- e) Whether the account became NPA because of the Macro Economic recession / scenario?
- f) Whether it is a monitoring failure on the part of the branch officials?
- g) Whether any fraud is committed by the borrower?
- h) Whether there is any involvement of the staff members in committing fraud by the borrower?
- i) What are the mitigating actions taken by the branch?
- j) How the action or inaction on the part of the concerned branch officials contributed to the account becoming NPA?

11. Whether a suit has been filed, if so, status thereof :

12. Date of first Sanction and Sanctioning Authority :

13. Date of last regular review / short review or Status Note & the Reviewing Authority :

14. Whether the facility was ever enhanced after the first sanction and if so, date of last

such enhancement and the Authority sanctioning the enhancement:

15. Observations of PSR Authority in respect of Sr. No. 12, 13 & 14 and status of their compliance with the details of efforts made:
16. Whether the terms and conditions stipulated by the Sanctioning Authority / Reviewing Authority were complied with. Non-compliance, if any, may be pointed out with the details of efforts made for the same:
17. Whether non-compliance has impact on account becoming NPA :

Observations, if any, during inspection of the branch in respect of reasons for account becoming NPA and the comments of the branch there for: (To be enclosed)

Observations, if any, of Concurrent Auditors / Credit Audit / Stock Audit / Statutory Auditors / NABARD /RBI in respect of reasons for account becoming NPA and the comments of the branch therefore : (To be enclosed)

18. Details of follow-up made by the branch for up-gradation / recovery made in the account :

Officer / Manager

Branch Head

Observations / Comments / Recommendation of Regional Authority:

Signature of committee /Regional Head

Observations/Comments/Recommendation of AO Authority:

Signature of committee

To be enclosed:

(In relation to the Account during the last two years)

- Relevant extracts of inspection reports
- Relevant extracts of Concurrent Auditors reports
- Relevant extracts of Statutory Audit Reports (LFAR)
- Credit Audit Reports/Monitoring Reports
- PSR observations of Controlling Authority

ANNEXURE-II

(For accounts up to 10 lacs)

Name of the Branch: _____

Name of Region: _____

PROCESS NOTE OF ADVANCES ACCOUNTS FOR CONSIDERATION OF EXAMINATION OF STAFF ACCOUNTABILITY IN NPA ACCOUNTS

(Amt in Lacs)

Sr No.	Name of Borrower	Constitution	Activity	Nature of Facility	Limits	Outstanding As On.....	Securities Available (Primary & Collateral)
1	2	3	4	5	5A	5B	6

Date of first sanction and Last Review with increase & its Sanctioning Authority	Adverse observations of PSR Authority	NPA date & Asset Classification	Details of the conditions of sanction not complied with	Impact of non-compliance on account becoming NPA	Adverse observations made on the A/c in Branch inspection Report (during last 3 inspections)	Follow up actions by Branch for up gradation of A/c	Main reasons/ evaluation by Branch which led to the a/c became NPA
7	8	9	10	11	12	13	14

(Signature of Credit In-charge)

(Signature of Branch Head)

ANNEXURE III

STAFF ACCOUNTABILITY EXAMINATION/ INVESTIGATION FORMAT

Branch/ Office (Name/ Code)	
Address & Contact Details	
Region	
Administrative Office	
Source	Complaint/ Fraud/RBIA/NPA/Others
Date: Investigation Ordered	
Authority Ordering Investigation	
Date: Investigation Report Submitted	
Investigating Officer's Signature	
Name, Grade & Designation	
Place Of Posting	
Mobile No.	
STAFF ACCOUNTABILITY EXAMINATION/ INVESTIGATION REPORT	

Instructions:

1. This format consists of 4 sections.

Sec (I) : General Information

Sec (II) : Staff Accountability Examination cases (sub-divided into 2 parts)

Part (i) : For Retail segment loans

Part (ii) : For loans other than Retail segment

Sec (III) : Conclusion

2. In Staff Accountability Examination cases, Section (I), (II) and (IV) only, are required to be completed. Relevant Part should be used under Section (II) [i.e. Part (i) for Retail segment loan and Part (ii) other than Retail segment].
3. For all other investigation cases (Complaints, Frauds, Irregularities in Audit, Administrative Lapses etc.) only Section (I) and (IV) to be used. Additional sheets may be enclosed, if need be, in such cases.

CARE- Section (IV): Conclusion is to be completed in all investigation cases.

Section I: General Information

1.	Source (Complaint/ Fraud/ Audit/ NPA/ Others, provide details) (a) If Complaint, date of receipt. (b) If Fraud, date of detection through Audit/ investigation, if any (c) If Audit Irregularities, Audit type & audit Report date. (d) If NPA, date of NPA (e) If others, mention relevant date	
2.	If complaint, Name of complaint:	
	Name of Staff/ Branch/ Outsourced Agency complained against:	
3.	In case of Fraud/ Irregularity/ Others, date of occurrence	
4.	Brief description of event/ transactions (In case of fraud, brief modus operandi)	
5.	Specific terms of Reference	i) ii) iii) iv) v)

Section II: Staff Accountability Examination in Advances Accounts: All segment (Report should cover a period of **4 years** preceding the date of NPA/ detection of fraud)

[A] Borrower's Profile

(i) Name of the Borrower/ Unit	
--------------------------------	--

1.	(ii) Cust ID/Identification Number	
	(iii)Account Number(s)	
	(iv)PAN/ TAN Number	
	(v) AADHAR Number	
2.	Constitution: Individual/ Proprietorship/ Partnership/ company/ Trusts/ Others	
3.	Address:	
	(i)Residence (Individual)/ Regd. Office (Others)	
	(ii)Manufacturing/ showroom locations (Wherever applicable)	
4.	In case of Proprietorship/ Partnership/ company etc., names of Promoters/ Partners/ Directors.	
5.	In case of Proprietorship/ Partnership/ company, PAN of Promoters/ Partners/ Directors/ Guarantors & DIN of Directors	
6.	Name and address of Co-borrowers(s) & Guarantor(s).	
7.	If Company, Group to which it belongs	
8.	Activity/ Segment/ Industry	
9.	Banking Arrangement	Sole Banking/ MBA/ Consortium
10. Details of Facility(s) sanctioned to Proprietorship/Partnership/Company/others (Amount in lacs)		
	Exposure to the Unit	Exposure to the Group
	Bank's Share	Total (MBA/ Cons)
	Bank's Share	Total (MBA/ Cons)
Cash Credit		
Term Loan		
Others (Pls. Specify)		
Total FB		
BG		
Others (Pls. Specify)		
Total NFB		
Total (FB+NFB)		
11.	Major Banks along with their shares	
12.	Association with Bank since	
13.	(i)Unit's Internal current Rating and Date	
	(ii)Unit's Internal previous Rating and Date	
14.	(i)External Credit Rating, if applicable	
	(ii)Name of Rating Agency, Date & Validity	
15.	Date of incorporation	
16.	(i)Loan Sanctioned (in Rs.)	
	(ii)Date of Original Sanction & Authority	
	(iii)Products/ Schemes, if applicable	
17.	Date of last Sanction/ Renewal/ Review (if applicable) & Authority	
18.	Whether cause of action is more than 4 years old in case of officers retired / opted for voluntary retirement	

19	Whether role of Inspecting officers observed			
[B]. Status of Accounts				
Position of Account (s) as on(Staff Accountability Examination Date)				
Facility	Limit	DP	Outstanding	Irregularity
IRAC Status as on the Date of Staff Accountability			Standard/ Sub- Std/ Doubtful/ Loss/ Written-off/	
(i)Date of initial reporting as SMA/overdue and action taken				
(ii)If NPA, Date of NPA and action taken subsequently				
(iii)If written off, mention the Date of write off				
(iv)Whether it is a case of quick mortality?			Yes/ No	
[C]. Details of Security				
	Description	Value and basis of valuation	Date of valuation/ Opinion report	
Primary Security				
Collateral Security				
Personal Guarantee				
Third party Guarantee				
Collateral Coverage (%)				
Whether security has been correctly created in CBS/ Finacle				
Whether any subsidy is receivable? If Yes, whether subsidy received/ claimed?				
[D]. Major irregularities reported in Internal Audit/ credit Audit/ Other Audits				
	Report	Observation by the Auditor	Replies & Compliance by the Branch	
1.	Internal Audit Report dated.....			
2.	Credit Audit Report dated.....			
3.	Other Audit Reports (Please furnish names and dates)			
4.	Qualifications if any, in Company Auditors' report as on 31 st March			
5.	Any other relevant information:			

Section (II)- Part (i): Retail Segment Loans

(Please tick appropriate column)

Pre-Sanction, Sanction & Disbursement Stage		Yes	No	NA
1.	Whether Pre-Sanction Inspection conducted?			
	(i) If Yes, Date of Inspection.			
	(ii) If Pre-sanction has been conducted by the outsourced agency (ies), Name of the agency (ies) and nature of work?			

2.	Whether any deficiency pointed out in Pre-sanction?			
	Details			
3.	Background of the Borrower, if any.			
4.	Whether Background of the Borrower(s) and Guarantor (s) have been verified?			
5.	Whether KYC details (PAN/ Aadhar No./ Voter ID/ Passport etc.) of borrower(s)/ co-borrower(s)/ guarantor(s) obtained and verified from Government sites?			
6.	(i) Whether CIBIL data in respect of borrower/ co-borrower(s)/ Guarantor(s) duly scrutinized?			
	(ii) Any adverse remarks observed in CIBIL Reports?			
	If yes, whether approval obtained from appropriate authority in eligible cases?			
7.	Have existing repayment commitments of the Borrower(s) been verified with CIRs obtained from Credit Information Company's (CICs)?			
8.	Has Valuation of other collaterals offered, if any, say NSCs/ Shares/ Bonds/ LIC Policies etc. been verified?			
9.	(i) Whether Pre-Sanction inspection/ independent verification has been conducted for the property proposed to be mortgaged?			
	(ii) Date of report and observations, if any			
10.	(i) Whether Title Investigation Report (TIR)/ NEC and Valuation Report have been obtained as per Bank's extant instructions for all mortgaged			
	(ii) Please mention the name of the Advocate(s) and date of TIR/ NEC	a)		
		b)		
	(iii) Please mention the name of Valuer(s) and date of valuation report	a)		
		b)		
11.	Whether the property identified and demarcated as per the TIR/ NEC and Valuation Report?			
	Comments on adverse remarks by the Advocate(s) or the Valuer(s), if any?			
12.	(i) Whether Worth reports from Borrower and Guarantor duly supported by documentary evidences is taken for Statements of Assets & Liabilities of Borrower(s)/ Guarantor(s) is obtained? Dates of statement / subsequent updations, if any.			
	(ii) Details of unencumbered properties, if any.			
13.	(i) Has the advance been taken Over?			
	(ii) If yes, details of the Bank from which the account has been taken over and the loan amount there at?			
	(iii) Whether the statement of account, copy of Sanction/Arrangement Letter & list of security documents deposited been obtained from other Bank?			
	If yes, whether any observations?			
	(iv) Whether all take-over norms complied with? If not, details of non-compliances?			
	(v) Deviations sought for, if any, for takeover and approved by the appropriate authority.			
14.	(i) Whether the details of the accounts maintained with other Banks mentioned in the loan proposal?			

	(ii) If yes, the status of compliance of the observation made by the Sanctioning Authority, if any.			
15.	Whether the other loan history, if any, of borrower(s) & guarantor(s) mentioned?			
16.	Whether the loan has been sanctioned within the discretionary powers?			
17.	Whether Sanction/ Approval/ Confirmation obtained from appropriate authority?			
18.	Credit Risk Rating score (as per Matrix), if applicable?			
19.	(i) Any deviation observed in Credit Risk Rating Score Matrix?			
	(ii) Approval for deviation, if any, on record?			
20.	(i) Loan sanctioned under any specific scheme/ product of the Bank?			
	(ii) Whether the Terms & conditions specified for the Scheme/ product complied with?			
	(iii) in case of non-compliances, Details?			
21.	Whether the stipulated EMI/NMI Ratio maintained?			
22.	Whether all EMI liabilities arising from all loans disclosed in CIC report taken into consideration while computing EMI/NMI ratio? Or any other automated system.			
23.	(i) Whether the Sanction reported to the next higher authority for PSR?			
	(ii) Whether the PSR taken on record?			
	(iii) Comments on the status of compliance of observations made in PSR, if any.			
24.	Whether the Terms & Conditions of Sanction conveyed to the borrower(s) & Guarantor(s)?			
25.	Whether the Terms & Conditions of Sanction accepted by the borrower(s) & guarantor(s)?			
		Yes	No	NA
26.	Whether the appropriate documents with all covenants incorporated, complete in all respects obtained? Are the documents valid & enforceable?			
27.	In case the documents are Vetted, if required whether a certificate has been obtained from him regarding enforceability of the documents? If any, If Yes, mention the date of the Certificate.			
28.	Whether all the documents mentioned in the TIR/NEC by Advocate for creation of valid and enforceable EM obtained before creation of Mortgage?			
29.	Status of creation of EM and comments on its enforceability.			
	(i) Whether the charges filed with CERSAI?			
	(ii) If Yes, mention CERSAI Asset Id.			
	(iii) Are our charges reflected correctly?			
30.	Has proper charge been created for the collateral securities?			
31.	Whether required PDCs obtained, if applicable.			
32.	Have the documents been revived subsequently to the original execution?			

33.	(i)Whether the static details such as Borrowers' Profile, Segment, Activity, Product Limit, Interest Rate, Disbursement, Repayment Schedule etc. correctly fed in the CBS/ Finacle?			
	(ii)In case of any deficiency in feeding of details, Please mention the name of official responsible & impact on probable loss?			
34.	Whether all the Pre-disbursal conditions complied With before disbursal of the loan?			
35.	Whether the Borrower's/ Promoters' contribution margin as envisaged, received within the prescribed time?			
36.	Whether ECS/mandate set up immediately after disbursal?			
37.	(i)Whether the end use of funds verified/ monitored on a continuous basis?			
	(ii)If not, reasons thereof?			
	Post Sanction stage:	Yes	No.	NA
1.	(i)Whether inspections, conducted as per prescribed periodicity? If No, reasons thereof?			
	(ii)Comment on the action taken on the adverse remarks if any, recorded by the officials on the last 2 Inspection Reports.			
2.	(i)Comment on status of compliance with stipulation regarding Insurance.			
	(ii)Have all the Associated Risk covered adequately?			
3.	(i)Has the valuation of securities (Primary/ Collateral) done by an Approved Valuer subsequent to disbursement as per Bank's extant guidelines? If yes, please mention dates.			
	(ii)Was there any downward slide in the value of the property? If yes, the action taken?			
4.	(i)Have any early warning signals been noticed in the conduct of account viz. Failed SI/ECS Return/ Frequent return of cheques/ Observations made by the auditors in the Inspection reports			
	(ii)Whether SMA reports submitted to the Appropriate Authority as per the prescribed periodicity along with Action Plan?			
	(iii)Comment on observations made by the Authority and the compliance thereof.			
5.	(i)Whether any adverse features observed in the conduct of account?			
	(ii)Whether the same reported to the Appropriate Authority?			
6.	Time lag between Date of Sanction and Date of NPA			
7.	Specific reasons for account turning NPA			
8.	Has any action plan (including replacement) been Examined or proposed by Branch to tide over the stress in the Account?			
9.	Whether the account identified as fraud?			

10.	Details of Action Taken for recovery of loan			
11.	In case PDCs were held at Branch, whether these were presented on time?			
12.	Whether the notice of dishonor u/s 138 of NI Act served promptly upon drawee in case of default in payment of PDCs/ ECS?			
13.	Whether subsequent action under NI Act e.g. filing of summary suit etc., initiated timely for unpaid PDCs/ECS/NACH?			
14.	Other relevant information, if any.			
15.	Whether any other lapses have been observed in processing/ handling/ maintenance and follow -up of account?			
16.	Whether any lapses found in the Obtention of Primary Security/ Collateral Security/ Guarantee vis-à-vis term of sanction?			

"Retail" Segment Loans				
[1]	Car Loan	Yes	No	NA
i.	Whether dealer was a genuine one?			
ii.	Whether payment to dealer made by RTGS/NEFT/CBS/DD with appropriate Covering letter?			
iii.	Whether car was actually delivered? If yes, whether the same make & model which was financed by Bank?			
iv.	Whether the necessary papers related to vehicle – Invoice, Insurance, RC book etc. obtained.			
v.	Whether bank's name noted in insurance policy/RC book?			
vi.	Whether registration details verified with vahan.nic.in			
vii.	Whether inspection of vehicle, after account first slipped, took place?			
viii.	Whether ECS/NACH mandate, if any, set up immediately after disbursement.			
ix.	Was an attempt to repossess vehicle (seizure of vehicle) done as per the guidelines when instalment were unpaid before account turning NPA.			
x.	Whether the borrower resisted repossession? Whether notice u/s 13(2) of SARFAESI /seizure was served subsequently, after the account turned NPA?			
xi.	If Yes, whether action further action under SARFAESI/seizure taken timely?			
[2] Personal Loan		Yes	No	NA
i.	Whether genuineness of ITRs verified?			
ii.	Whether genuineness of Salary slip/Form 16 verified			
iii.	Whether intimation of sanction of loan sent to the concern department as per scheme.			
iv.	Whether salary is credited in account with our bank? If No, details of salary account.			
v.	PDCs/mandate obtained for deduction of installments.			
vi.	Whether salary continued to be credited in account after loan sanction. If not, whether the matter taken up immediately with concern department?			
vii.	In case of Corporate employer, whether the Corporate met the eligibility criteria laid down by the Bank and requisite approvals obtained?			

[3]	Education Loan	Yes	No	NA
i.	Whether payments made directly to the Educational Institute?			
ii.	Whether periodical progress reports/examination mark sheets obtained?			
iii.	Whether moratorium period correctly fed in CBS?			
iv.	Whether any subsidy amount receivable?			
	If Yes, whether subsidy claimed submitted in time?			
[4]	Home Loan/Real Estate	Yes	No	NA
i.	Whether the property is identified and demarcated as per the TIR/NEC and Valuation Report? Whether any conditions stipulated in TIR/NEC? If yes, whether complied with?			
ii.	Whether details of site taken recorded by Inspecting official and kept on record?			
iii.	In case of take-over finance, whether all the take-over norms complied with?			
iv.	Whether stipulated LTV (loan to value) Ratio maintained?			
v.	Whether disbursement of loan made in accordance with the progress of work and after post sanction inspection?			
vi.	Whether disbursement made by means of account payee Banker's Cheque/DD or RTGS and forwarded directly to builder/seller etc.?			
vii.	Whether notice u/s 13(2) of SARFAESI was served subsequently, after the account turned NPA?			
viii.	If Yes, whether action further action under SARFAESI taken timely?			

Section (II) – Part (ii) : Other than Retail segment loans

	Pre-Sanction, Sanction & Disbursement Stage	Yes	No	NA
1.	Whether Pre-sanction inspection conducted of factory site/Business location/Registered Office? If Yes, Date of Inspection			
2.	Whether any deficiency pointed out in Pre-Sanction?			
3.	Background of the Borrower/Unit & Associates, if any.(details may be given as annexure)			
4.	Whether Background/Tract-record of the Unit/Borrower(s)/Guarantor(s) have been verified?			

5.	(i) Have Credit Information Reports on Borrower(s)/Associate(s) been called for from their existing Bankers.			
	(ii) If yes, whether verified?			
	(iii) Any adverse observation?			
6.	(i)Whether KYC details (PAN/TAN/Aadhar No./Voter ID/Passport etc.) of borrower(s)/co-borrower(s)/guarantor(s) verified? (To be specified & verification source to be mentioned)			
	If not, give details: (details may be given as annexure)			
	(iii)Whether Memorandum & Articles of Association have been verified to ensure against clauses prejudicial to Banks interests: ascertain whether limitations have been placed on the Company's borrowing powers, scope of activity etc.			
	(iv)Whether statutory approvals/clearances/permits/NOCs, Collaboration agreements are obtained from Government Departments/Agencies? If No, please mention details:			
7.	(i)Whether CIBIL/CIC data in respect of borrower/Guarantor duly scrutinized?			
	(ii)If yes, whether approval obtained from appropriate authority in eligible cases?			
8.	Have existing repayment commitments of the borrowers been verified with CIRs obtained from CICs?			
9.	Whether audited Financial Statements obtained as per Banks' extant guidelines?			
10.	Has valuation of other collaterals offered, if any, say Plant and Machinery/Shares/Bonds/LIC Policies etc. been verified?			
11.	(i)Whether pre-sanction inspection/independent verification has been conducted for the property proposed to be mortgaged?			
	(ii)Date of report and observations, if any.			
12.	(i)Whether Title Investigation Report (TIR/NEC) and Valuation Report have been obtained as per Bank's extant instructions for all the mortgaged.			
	(ii)Please mention the name of the advocate and date of TIR/NEC.			
	(iii)Please mention the name of valuer and date of valuation report.			
	(iv)Whether the Bank official had concurred with the valuation?			
	If yes, name of official and date.			
13.	Whether the property identified and demarcated as per the TIR and valuation Report? Comments on adverse remarks by the Advocate(s) or the valuer(s), if any?			
14.	(i) Whether worth report from Borrower and Guarantor duly supported by documentary evidences is taken for Statements of Assets & Liabilities of Borrower(s)/ Guarantor(s) is obtained?			
	Dates of compilation of statement /subsequent updates if any			
	(ii)Dates of unencumbered properties, if any.			
15.	Comments on interlocking of funds/investments in group concerned/cross movement of funds, if applicable.			
16.	(i)Has the advance been taken over?			
	(ii)If yes, details of the Bank from which the account has been taken over and the credit facilities enjoyed thereat?			

	(iii)Has (ve) credit information report (s) been obtained from other banks? Verified or otherwise.			
	If obtained, whether any adverse remarks mentioned in the reports?			
	(iv)Whether all take-over norms complied with?			
	If not, details of non-compliances.			
	(v)Deviations sought for, if any, for takeover and approved by the appropriate authority.			
17.	(i)Whether the details of the accounts maintained with other Banks mentioned in the loan proposal?			
	(ii)If yes, the status of compliance of the observations made by the Sanctioning Authority, if any.			
18.	Whether the other loan history, if any, of borrower(s) & guarantor(s) mentioned?			
19.	Whether any deficiency observed in quality of appraisal? (Specific comments to be furnished about adequacy of limits, Projections vis-à-vis actual, justification therefore, seasonality factor, marketability of the product and competition etc(Annexure to be given)			
20.	Whether the loan has been sanctioned within the discretionary powers?			
21.	Whether sanction/approval/confirmation obtained from appropriate authority?			
22.	Credit Rating Risk score (as per Matrix), if applicable?			
23.	(i)Any deviations observed?			
	(ii)Approval for deviations, if any, on record?			
24.	(i)Loan sanctioned under any specific scheme/product of the Bank?			
	Scheme Details			
	(ii)Whether the Terms & Conditions specified for the scheme/product complied with?			
	(iii)In case of non-compliances, Details?			
25.	Whether the stipulated DSCR maintained?			
26.	Whether all liabilities arising from all loans disclosed in CIC report taken into consideration while computing DSCR?			
27.	(i)Whether the sanction reported to the next higher authority for PSR?			
	(ii)If yes, Time taken to submit the report taken on record?			
	(iii)Whether the PSR report taken on record?			
	(iv)Comments on the status of compliance of observations made by the controller.			
28.	Whether the terms and conditions of sanction conveyed to the borrower(s) & guarantor(s)?			
29.	Whether the terms and conditions of sanction accepted to the borrower(s) & guarantor(s)?			
30.	Whether the appropriate documents with all covenants incorporated, complete in all respects obtained? Are the documents valid & enforceable?			
31.	In case the documents are vetted, whether a certificate has been obtained regarding enforceability of the documents? If Yes, then Date of the Certificate.			
32.	Whether all the documents mentioned in the TIR/NEC by advocate for creation of valid and enforceable EM obtained before creation of mortgage?			
33.	Status of creation of EM and comments on its enforceability.			

	(i)Whether the charges filed with CERSAI?			
	(ii)If Yes, mention CERSAI Asset Id.			
	(iii)Are our charges reflected correctly?			
34.	Any search made with ROC for verification of the existing charges? If Applicable, If yes, is the certificate of verification on record?			
35.	Have the charges filed, in time, with ROC after disbursement? If applicable, If yes, are our charge reflected correctly?			
36.	Has proper charge been created for the collateral securities?			
37.	Whether required PDCs obtained, if applicable.			
38.	Have the documents been revived subsequent to the original execution?			
39.	(i)Whether the static details such as Borrowers' Profile, Segment, Activity, Product Limit, Interchange ability, Rating, Pricing Disbursement and Repayment Schedule etc. correctly fed in the CBS/Finacle?			
	(ii)In case of any deficiency in feeding of details, please mention the name of official responsible & impact on probable loss?			
40.	Whether all the pre-disbursal conditions complied with before disbursal of the loan?			
41.	Whether the borrower's/promoters' contribution/margin as envisaged, received within the prescribed time?			
42.	Whether ECS/SI/mandate set up immediately after loan disbursal?			
43.	Whether stock statement verified before 1 st disbursement?			
44.	(i)Whether the end use of funds verified/monitored on a continuous basis?			
	(ii)If not, reasons thereof?			
45.	Whether the renewal/review of loan(s) undertaken annually? If not reasons thereof.			
Post-Sanction Stage				
1.	(i)Whether inspections conducted as per prescribed periodicity? If no, reasons thereof?			
	(ii)Comments on the action taken on the adverse remarks if any, recorded by the officials on the last 2 Inspection Reports.			
2.	(i)Whether Stock Statements received as per the prescribed periodicity?			
	(ii)If not, whether any steps taken?			
	(iii)Whether sales proceeds routed through Bank account?			
	(iv)Whether sales figures verified?			
3.	Whether any comments recorded against slow/non-moving stocks and receivables beyond the cover period in Stock Statements?			
4.	Was the Drawing Power computed correctly?			
5.	(i)Were Financial Follow up Reports (wherever applicable)received at prescribed periodicity and analysed?			
	(ii)Whether any corrective action initiated for deficiencies observed, if any?			
6.	Whether any Exchange of Information (in case of Multiple Banking Accounts) done as per extant instructions?			
7.	(i)Has Stock & Receivables Audit/Inspection (as applicable) conducted as per the prescribed periodicity?			
	(ii)Comment on the corrective action initiated against adverse comments, if any, made on the Stock & Receivables by			

	Auditor/Inspecting Officer.			
8.	(i) Comment on status of compliance with stipulation regarding Insurance,			
	(ii)Have all the associated Risks covered adequately?			
9.	(i)Has the valuation of securities (Primary/Collateral) done subsequent to disbursement? If yes, please mention dates.			
	(ii)Was there any downward slide in the value of the security?			
	(iii)If yes, whether any steps taken?			
10.	Whether any Bank Guarantee issued favoring Associate/Group concerns?			
11.	(i)Whether any instances of invocation of BGs observed? Mention No. of instances and amount involved and reasons thereof.			
	(ii)Whether all such instances have been reported to the Appropriate Authority?			
	(iv)Whether the extant instructions on issuance of further BGs to the borrower after devolvement/invocation followed?			
12.	(i)Whether excess drawings permitted in any of the facilities granted?			
	(ii)If Yes, how often and for what reasons?			
	(iii)Have these been adjusted on time as stipulated?			
13.	(i)Have the irregularity(s) thus permitted been reported to the Appropriate Authority and got confirmed?			
	(ii)Observations of the Authority and the compliance thereof.			
14.	(i) Have any early warning signals noticed in the conduct of account viz. Failed SI/ECS/mandates/Return/Frequent Return of cheques / Invocation of BGs/Frequent overdrawing/slow moving stocks/activity levels/observations made by the Auditors in the Inspection reports.			
	(ii)Whether SMA/overdue reports submitted to the Appropriate Authority through MMR/QMR etc. as per the prescribed periodicity along with Action Plan?			
	(iii)Comment on observations made by the Authority and the compliance thereof.			
15.	(i)Whether any adverse features observed in the conduct of the account?			
	(ii)Whether the same reported to the Appropriate Authority?			
16.	Time lag between Date of Sanction and Date of NPA.			
17.	Comments on specific reasons for account turning NPA(Details be given on Annexure)			
18.	Whether any action plan (including restructuring) examined or proposed to tide over the stress?			
19.	Whether the account identified as fraud?			
21.	Details of Action Taken for recovery of loan.			
22.	In case PDCs were obtained, whether these were presented on time?			
23.	Whether the notice of dishonor u/s 138 of NI Act served promptly upon drawee in case of default in payment of PDCs/ECS/NACH?			
24.	Whether subsequent action under NI Act e.g. filing of summary suit, etc. initiated timely for unpaid PDCs/ECS/NACH?			
25.	Other relevant information, if any.			

26.	Whether any other lapses have been observed in processing/handling/maintenance and follow-up of account? If yes, details			
27.	Whether any lapses found in the obtention of Primary Security/Collateral Security/Guarantee vis-à-vis terms of sanction? If Yes, details?			

[B] List of Witnesses		
Sr No.	Name/ Designation/ Address of witness	Relevance of witnesses/ Nature of his deposition (in brief)

Final Findings/ Observations of the Investigating Officer:

Suggestions for Systematic Improvements, if any, for prevention of recurrence of similar events:

Certificates:-

1. Confirmed that all officers/ employees listed in the (relevant) Annexure, against whom lapses have been observed, have explained their version of the events/ transactions and their statements has been obtained. It is also confirmed that all relevant original records were shown to officials/ employees and they have certified accordingly in their statement/ version.
2. Confirmed that all original documents listed in the relevant Annexures are held in the Joint / personal custody of the branch manager/s and the list of documents has been entered in the Branch Document Registers. A certificate obtained from the Branch Manager to this effect is also enclosed along with the Report.

Investigating Officer

NOTE

The report should be confined only to the terms of reference or allegations contained in the complaint. Other illegalities/ malpractices observed in the course of investigation not having a direct bearing on the subject matter of terms of reference may be brought to the notice of the controller through a separate Note.

BIODATA(Ason.....)

(In respect of each official/ employee interrogated by the Investigating Officer)

1.Name in Full (in block letters)		
2.Joined the Bank as & Date of joining (at the time of appointment in the Bank)		
3.Present Grade/ Designation		
4.Places of postings in last 5 years. (Covering at least 3 postings)		i.
		ii.
		iii.
		iv.
		v.
5.Post held at the time of irregularity & since		
Name of the Branch	Period of Posting (Month & Year approx.)	Nature of work/ duties performed

1. Whether earlier, at any time in the past, interrogated in connection with any complaint/ allegation/ transaction or event with which associated/ dealt with.

(Brief particulars with name of the Branch to which the matter pertained)

I certify that the above information/ particulars have been furnished by me on..... to Shri..... Gradein the course of investigation relating to and these are correct to the best of my knowledge.

Signature

Name:

Grade:

Assignment:

Place of posting:

Date:

BIO–DATA (as on)

(In respect of each outsourced agency interrogated by the Investigating Officer)

1.Name of outsourced agency in full (in block letters)	
2.Date of association with Bank as BC/CSP/Recovery Agency etc.	
3.No of accounts.	
4.Name of linked Branch	
5.Distance of link branch from nearest BC/CSP etc.	
6.Whether earlier at any time in past, interrogated in connection with any complaint/ allegation/ transaction	

I certify that the above information/ particulars have been furnished by me on to Shri Grade..... in the course of investigation relating to and these are correct to the best of my knowledge.

Signature

Name:

(Name of BC/CSP/Vendor of Agency)

Address:

Date.....

SPECIMENT FORMAT OF INTERROGATION

Uttar Pradesh Gramin Bank,

..... Branch

District-.

Shri

.....

Dear Sir,

INVESTIGATION

I have been instructed by the appropriate authority to conduct investigation into a case where it has been revealed from the relevant records that you were associated with the same. In order to bring out facts of the case, I have considered it necessary to seek from you, your comments, replies and clarifications on the connected matters, and therefore I request you to furnish your comments/ clarification/ replies on the under-noted questions/ matter being put by me to you.

Yours faithfully,

(Name.....)

Designation:.....

Date:.....

..... (Name of branch)

Nature of records shown should be indicated here by recording here as (so and so record/ circular etc.) shown Replies/ Comments/ Clarification.

1.

2.

3.

I have been shown all records/books referred to on pages..... above before giving my comments/ replies on each of these, as above.

Note:

Signature and Date

(Member of staff or public)

#(A copy of the Authority letter as well as complaint letter, if any, enclosed as Annexure)

Section IV : Conclusion										
[A] Particulars of Officer/Employee against whom lapses observed prima facie : In Tabular Form										
Sr. No .	Official/ Employee Name	EC Number	DOB	Present Scale & Posting	Scale & Role at the material time	Lapses/ Irregularities observed	Explanatio n / Reply of the Official/ Employee	Particular s of Document s/ Evidences and relevance thereof	Lapses/Allegation s prima facie substantiated	IO's Remark
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

Note: Statements of the officials/employees against each of the lapses observed to be enclosed as Annexure.

CARE: Each role has its specific duties & lapses be specifically examined vis-à-vis the assigned role at the material time.

Role of Controlling/Inspecting Officials	
Whether the role of controlling authorities need to be examined in the matter? Any observations?	
Whether the role of Inspecting officials need to be examined in the matter? Any observations?	

1.	Total Monetary loss expected arrived at (Loss attributed to each individual official/employee to be indicated)	
2.	Any peculiar/extenuating practices/circumstances/prevaling At the branch/office	

ANNEXURE III (a)

Details of Officials Associated with the Account:											
Sanction / Renewals during the three years preceding the date of NPA or detection of fraud starting from recent one.											
Sr. No.	[1]. Pre-sanction Formalities			[2]. Appraisal Recommendation, Assessment, Additional Assessment, Sanction & Control Formalities					[3]. Post-sanction Formalities		
	Name (s) of the official	Role and Period	Present Designation & Posting	Appraised & Recommended by (*)	Assessed by (*) (+)	Additional Assessment by (*) (+)	Sanctioned by & Sanction Date (@)	PSR by & PSR Date (@)	Name(s) of the Official	Role and Period	Present Designation & Posting
(i)	Sanction/ Last Review/ Renewal: Dated.....										
(ii)	Second Last Review/ Renewal: Dated										
(iii)	Third Last Review/ Renewal: Dated.....										

*Names of individual Officials including those in committees is to be mentioned.

(+) If applicable.

@ Names of individual officials/ Committee to be mentioned.

Note: If Lapses have been observed during the above mentioned formalities, the details to be provided in Conclusion part of the format.

[illegible]

Annexure-V**Competent Authority for calling Explanatory Note (EN) for Staff Accountability**

Sr. No.	Category	Branch / Office of posting	Competent Authority
1	Award Staff	Branch/Office under purview of Regional Office for administrative purpose	Chief Manager (CM) at RO/Regional Head
		All other	In-charge of HRM at Head Office, not below the rank of CM.
2	All Officers in JMG/S-I and MMG/S-II	Branch/Office under purview of Region for administrative purpose	Regional Head
		All other	In-charge of HRM/ Office Administration, Head Office, not below the rank of AGM.
3	All Officers in MMG/S-III and SMG/S-IV (other than Regional Head)	Branch/Office under purview of Region for administrative purpose	Regional Head
		All other	General Manager (HR)
4	SMG/S-IV (Regional Head)/All Officers in SMG/S-V	All other	Chairman

ANNEXURE VI**COMPETENT AUTHORITY FOR TAKING VIEW ON EXAMINATION OF STAFF ACCOUNTABILITY**

JURISDICTION	AUTHORITY
All advance Accounts sanctioned or reviewed with increase by Branch Scale I or II	Regional Office Committee (Categorized as Committee Level- B)
All advance Accounts sanctioned or reviewed with increase either by Branch Scale – III or above Or Sanctioned / reviewed with increase by any committee at RO, other than the committee headed by Regional Head Or Advance accounts sanctioned or reviewed with increase by any other authority, not covered above	Head Office Committee (Categorized as Committee Level- A)
NOTE: <ol style="list-style-type: none">1. In case a sanction is accorded by Chief Manager at RO in any Region and after his promotion, he assumes charge or posted in the same RO as a Regional Head, in such case staff accountability of his sanctions will be examined by "A" level committee.2. Any officer/executive, who has been a part of sanction/processing of the account for any of the sanction/ review/ any other decision of that particular account for a period of three years prior to the date of NPA, shall not participate as a member in that committee, for that account.	

ANNEXURE VII

STRUCTURE OF THE COMMITTEE:

COMMITTEE	MEMBERS	CONVENOR
Regional Office Committee	a) Regional Head of the concerned Region; b) Chief Manager at RO; c) One nominated branch head in the rank of SMG/S – IV or MMG/S- III d) Any Officer, not below Scale III, identified by the Region. A quorum of -3- shall be necessary with compulsory presence of Regional Head.	At least Sr. Manager (Credit) or any other Sr. Manager posted in Region as identified by Regional Head.
Head Office Committee	a) Chairman; b) GM (Credit); c) GM (looking after HR/Audit/Risk Compliance); d) Asstt. General Manager, if posted e) Chief Manager (Credit Monitoring); f) Chief manager (Credit); g) Chief Manager (Risk/Compliance) h) Chief Manager (Audit & Inspection); i) Any Chief Manager Posted at HO; j) Sr. Manager (Credit /Credit Monitoring); A quorum of compulsory presence of Chairman & at least one GM along with 3 other members shall be necessary.	Asst. General Manager/CM (Credit/ Credit Monitoring) at Head Office.

Note:

- ✓ The General Manager (Credit/ Credit Monitoring) will have authority for need based modification in composition and quorum of the Regional office Committees.
- ✓ Any Executive/Officer involved in Sanction/processing of identified loan/advances cannot be a member of Committee

ANNEXURE VIII

Authority for entrusting investigation / Level of Officers conducting Investigation:

Account with aggregate limit	Authority who will entrust investigation	Level of officers/Pool of officers as investigating officer
Upto Rs. 75 lakh	Regional Head	Any Scale III/IV officer of Bank, However, such officer should not have handled that account in the past/ not involved in processing of that loan
Above Rs. 75 lakh	General Manager	Any Executive of Scale IV and above or Pool of Officers. However, such officer should not have handled the account in the past/ not involved in processing of that loan