

**IMMEDIATE**

NO.8(1)(h)/98 (4)  
**CENTRAL VIGILANCE COMMISSION**

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**Jaisalmer House, Man Singh Road,  
New Delhi- 110 011**

**Dated the 29<sup>th</sup> December 1998**

**SUB: Special Chapter on Banks to be included in the Vigilance  
Manual - regarding.**


Risk taking forms an integral part of the business of banking. The purpose of vigilance activity in public sector banks (PSBs) is not to stifle such ability or obstruct the achievements of organisational goals and objectives. Its raison d'être is to enhance managerial effectiveness, both at micro as well as macro levels.

2. The Special Chapter on banking has been prepared keeping these objectives in view. It takes into account the special needs of Bank managers and addresses the problems faced by them in their day-to-day functioning. Since the rules of the game have now been clearly defined, Bank managers need only to shed any fear psychosis that they may have been experiencing so far and strive to contribute their best towards the fulfilment of targets set for them by their managements.

3. The Special Chapter has been finalised in consultation with the RBI, IBA, CBI and the Banking Division of the Ministry of Finance. Since its objective is to apply and supplement the material contained in the existing Manual, special care has been taken to ensure that the provisions of this Chapter are in conformity with the other chapters of the Manual. However, if there are any inconsistencies, the provisions of the Special Chapter would override the supersede the provisions of the other chapters in so far as PSBs are concerned.

4. In exercise of the powers conferred under Section 8(I)(h) of the Central Vigilance Commission Ordinance 1998, the Commission is thus pleased to notify the enclosed Special Chapter on Vigilance Management in PSBs. The provisions of the Chapter will come into force w.e.f. 1.1.1999 and will be deemed to form part of the Vigilance Manual.

5. Hindi version will follow.



28.12 98

**(N. VITTAL)**

**CENTRAL VIGILANCE COMMISSIONER**

To

- i) The Governor/Deputy Governor, RBI
- ii) The Special Secretary, Banking Division, Department of Economic Affairs
- iii) The Director, CBI
- iv) The Chairman, Indian Banks Association
- v) All Chief Executives of Banks/Financial Institutions
- vi) All CVOs of Banks/Financial Institutions