

HO:Dir (Ops):RMR:10:Fraud:2006

15.09.2006

Director (Ops)

All RMs, ARM (W-II) & AM-CD I/C (Blr)

Re: Meticulous follow up of set guidelines in order to arrest fraudulent and untoward eventualities at all offices

Please take note that a few recent incidents at some of our Branches/Offices have caused a substantial amount of financial loss to the Company as well as irreparable damage to its records/property owing to non-compliance of relevant guidelines set by Head Office. The untoward eventualities which took place at our Halasuru S.C., Regional Maturity Cell, Hyderabad and New Delhi Branch-II have been stated hereunder in brief for information of all of you.

A) Halasuru Service Centre in Bangalore Unit

On 25<sup>th</sup> August, 2006, the Security Guard after opening the shutter of the office premises had noticed that the wooden door of the main entrance was opened and cash counter, electrical appliances, computers, UPS etc. were set on fire. The fire was also put off with the help of Police and Fire Brigade personnel. On subsequent enquiry, it was observed that some important components such as, Modem, Server, Server Node etc. were missing from the office.

It is learnt that the duplicate keys of main entrance of the office premises held by the previous Security person were not taken back from him by the office authority when he was removed from his duty at the said office. Hence it is apprehended that someone might had opened the main door with the help of said duplicate keys and entered the office. Due to non-availability of power supply the miscreants used candles from which the fire was broken out.

Advices: All RMs are hereby requested to ensure replacement of lock set of the main entrance immediately after removal of the Durwan/Security person of any Branch/Office under their control who was holding the keys of main entrance of the respective office premises.

B) Regional Maturity Cell, Hyderabad in SCR

A report from the I.C.I.C.I. Bank followed by a thorough enquiry at the Regional Maturity Cell, Hyderabad has proved that about 29 number of cheques amounting to total Rs. 67,894/- have been encashed by some unscrupulous element in his favour by tampering the names of the actual payees, through super imposing process. This has been possible only due to non-compliance of H.O. guidelines as enumerated in I.O.M. No: HO:Dir(Ops):01:2005, dated 07.06.2005 addressed to the B.Ms, City-I, Howrah & Girish Park Branches of ER-I which was later forwarded to all R.Ms on 01.08.2005 through I.O.M. No.: HO:Dir(Ops): (10):Spl:2005 for ensuring meticulous follow up at all Branches of the Company.

In the said memo it was advised to paste transparent cellophane tape on the body of the cheques covering a part of name of the beneficiary, Account No. and amount in words. This system has also duly been incorporated against sl. No. 28 of updation Memorandum, SOI-Vol.1 attached to Branch Circular No.: SOI-1&2/18/06, dated 26.07.2006.

Advices: RMs are requested to advise all Branches/Offices in their Region to pay due importance and serious attention in this area of job so that under no circumstances, even a single instrument is issued and delivered/dispatched without pasting transparent cellophane tape on the body of the cheques in the manner as advised.

C) New Delhi Branch-II in N.R.

On 24<sup>th</sup> August, 2006, operating system of the Server at New Delhi Branch-II suddenly became defunct as the same was not shut down within the specified time after the power supply was interrupted. After restoration of the operating system it was found that stored data were corrupted. While recovering the data with the help of Pen Drive, it was observed that the current data of dated 23.08.2006 was not available in the Pen Drive. It was then tried from the individual Nodes. But that too could not be possible owing to non-availability of data in the Nodes since 21.08.2006. As a result, the Branch had to make entries of transaction afresh for the date which could not be recovered.

Our daily back-up system has been arranged and introduced in such a way so that in case of non-functioning of any one of the records storing devices, alternate one can be used to recover the corrupted data. But smooth operation of the system may jeopardize if the Data Base Daily back-up procedures, as advised from EDP are not maintained meticulously on daily basis.

Advices: In order to avoid any such undesirable eventuality which took place at Delhi Branch-II, the Regional Managers are hereby requested to advise all Branches/Offices in their respective Regions either

(i) To restore the power supply with the help of Generator immediately after interruption in electricity supply and positively within the period of working capacity of UPS.

Or

To shut down the system properly within the period of working capacity of UPS.

(ii) to meticulous follow up of EDP guidelines in question of taking back-up of daily transaction at the end of every day to ensure smooth functioning of the operating system at all offices. Any lapse/deviation on the part of the Branches may lead to irreparable damage to the record keeping system of the Branch, the consequences of which may go a long way. The Daily Back-up procedures are stated as under:

- After completion of day's work, total Data Base Back-up is to be taken through the Server.
- For safe off-storing of records, daily back-up is to be taken in the Pen Drive and that is to be kept in safe custody of the Branch Manager/Accountant at their residence.
- Date-wise i.e., Monday to Friday data base back-up is to be taken through individual Nodes also at the end of every day.

All Regional Managers are, therefore, hereby requested to ensure strict maintenance of the abovestated guidelines at all Offices under their control.

**(B Lahiri)**  
**Director (Ops)**

Cc: Managing Director  
Cc: Director (Corp. P&S)  
Cc: President (Fin)  
Cc: Exe. Vice President (PnAB)  
Cc: All General Managers  
Cc: Chief of Internal Audit  
Cc: Dy. General Managers (Admn), (Insp)