STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

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Circular No. 197/2026 Date : 18.11.2026

To All Members (Please Circulate)

We reproduce hereunder the Circular No. 109/2026 dated 18.11.2026 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

Shubhajyoti Chattopadhyay
(General Secretary)

INDISCRIMINATE LODGEMENT OF FIRS WITH LAW ENFORCEMENT AGENCIES AGAINST BANK OFFICIALS: NEED FOR A COMPREHENSIVE AND CLEARLY DEFINED GUIDELINES.

We have sent a communication to the Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Corporate Centre, Mumbai-400021, on the captioned subject.

The content of the communication is reproduced below.

With Greetings,

Yours Comradely,

Sd/-
(Rupam Roy)
General Secretary

Letter No. 6810/25/26 **Date: 18/11/2026**

The Deputy Managing Director (HR) & CDO,
State Bank of India,
Corporate Centre
State Bank Bhavan, Madame Cama Road
Mumbai – 400021.

Dear Sir,

Indiscriminate lodgement of FIRs with Law Enforcement Agencies against Bank Officials: Need for a Comprehensive and Clearly Defined Guidelines.

We seek your kind attention to the captioned subject, which is of profound sensitivity and significance, as it has a direct bearing on the life, livelihood, career and social standing of the officers and employees of our Bank.

At the outset, we wish to highlight the absence of any specific, comprehensive and clearly defined guidelines governing the lodgement of First Information Reports (FIRs) with Law Enforcement Agencies (LEAs) against officers and employees of the Bank. The only existing reference in this regard appears to be E-Circular No. CRO/RM-II-FPMD/6/2024-25 dated 31.01.2025, containing the Standard Operating Procedure (SOP) on Classification, Reporting and\ Management of Frauds. However, a

careful perusal of the said Circular reveals that, notwithstanding its comprehensive nature, it primarily addresses frauds allegedly perpetrated by customers, borrowers and external entities. The reference to internal frauds therein is limited to specific instances where the involvement of staff is established or indicated through collusion with customers/borrowers in the perpetration of fraud.

2. In this context, it is pertinent to examine Annexure I of the aforesaid Circular, which enumerates the prerequisites for initiating a fraud-angle investigation, predominantly relating to fraudulent acts or intentions on the part of borrowers and customers. Further examination reveals that Annexures V(i), V(ii) and V(iii) prescribe formats for Show Cause Notices to borrowers (individual and non-individual) and third-party entities. Similarly, Annexures VI(i) and VI(ii) provide formats for Reasoned Orders of the Fraud Identification Committee, primarily in the context of external frauds involving customers and borrowers. Furthermore, Annexures VIII to X prescribe formats for lodging complaints with LEAs in respect of borrowers who have availed credit facilities from the Bank. Thus, the overall framework and underlying spirit of the Circular are directed towards the identification, classification, reporting and management of frauds committed by borrowers and external entities. It is, therefore, evident that the said Circular cannot be construed as an adequate or comprehensive framework for dealing with allegations of misconduct or suspected criminal involvement of Bank officials.

3. Another significant instruction contained in the aforesaid Circular deserves particular attention. It categorically provides that *"Issues which relate to staff discipline like claiming of excess taxi fares, procuring stationery items locally, claiming excess lease rents etc., are not to be reported as fraud on Fraud Monitoring Report (FMR) to Corporate Centre."* However, it is a matter of serious concern that, notwithstanding this explicit distinction between staff-related disciplinary issues and fraud, FIRs are reportedly being lodged against officers even in cases involving allegations of such procedural or administrative irregularities. More disconcertingly, there have been instances where FIRs have been lodged even after the completion of the staff accountability exercise and the imposition of appropriate disciplinary punishment, thereby exposing the concerned officers to parallel criminal proceedings attracting double jeopardy. The practice of naming Bank officials in the column *"Details of Accused/Suspect Persons"* in complaints submitted to LEAs, even before the conclusion of the departmental enquiry or an objective assessment of the available evidence, raises serious concerns regarding fairness and procedural propriety. While disciplinary proceedings and criminal investigations operate in distinct legal domains, the mere existence of an administrative or procedural lapse cannot, by itself, be construed as evidence of criminal intent. Any such inference must be supported by specific material indicating the essential ingredients of the alleged criminal offence. Prematurely attributing criminal culpability to an officer, without adequate factual and evidentiary basis, is not only prejudicial to the interests of the Bank's own workforce but also carries the potential to irreparably damage an officer's career, livelihood, reputation and social standing.

4. In the absence of a clearly defined SOP governing the lodgement of FIRs against Bank officials, there appears to be considerable scope for subjective interpretation and selective application of the provisions and formats contained in the Circular under reference. We are constrained to observe that formats and expressions originally designed for complaints against fraudulent borrowers, who may have deliberately and wilfully caused financial loss to the Bank, are at times being adopted in complaints against Bank officials, even in matters where the alleged misconduct may essentially relate to procedural or administrative irregularities and where the ingredients of a cognisable criminal offence may not be clearly established. Another matter of grave concern is the inclusion of provisions of the Bharatiya Nyaya Sanhita (BNS) and other applicable criminal laws in complaints submitted to LEAs, in circumstances where the applicability of the invoked provisions and the corresponding ingredients of the alleged offences may require closer legal scrutiny. The invocation of serious and, in certain cases, non-bailable offences expose the concerned officers to the risk of arrest, prolonged criminal proceedings and severe personal and professional consequences apart from social slur and disruptive domicile couture. At present, the decision-making process concerning the initiation of criminal complaints against Bank officials appears to lack a uniform, transparent and adequately structured mechanism, leaving considerable discretion with the concerned Law Department and Circle Management. We firmly believe that a decision which may result in an employee, who has devoted years of sincere service to the institution, being branded as an accused before a criminal court must not be left to subjective discretion or taken in a routine manner. Such a decision must necessarily be preceded by a reasoned, objective and impartial assessment of the facts, the available evidence, the nature of the alleged misconduct and the applicability of the relevant criminal provisions. Adequate safeguards must be instituted to ensure that the rights and interests of the concerned officer are duly considered, without compromising the Bank's legitimate obligation to report genuine criminal offences.

Shubhajyoti Chattopadhyay
General Secretary
Mobile : 9434551152

5. While our Federation stands firmly committed to zero tolerance against proven corruption and fraud, the weaponisation of criminal law to redress routine operational lapses, bonafide commercial errors of judgment or unverified allegations is a grave abuse of administrative power. Such actions not only shatter the careers, dignity and mental well-being of honest officers but also threaten to paralyse the organisation's decision-making appetite and inflict cascading damage on the organisation's financial and reputational health. In this context, it is extremely vital to take note of the following legal, administrative, and judicial principles governing this critical issue:

i . Judicial Observations on Indiscriminate FIRs and Protection of Public Servants

The Hon'ble Supreme Court of India and various High Courts have repeatedly cautioned against setting the criminal law into motion mechanically against public servants and executives:

• **Criminal Law Cannot Be Set in Motion as a Matter of Course:** In *Pepsi Foods Ltd. vs. Special Judicial Magistrate* [(1998) 5 SCC 749], the Hon'ble Supreme Court held that summoning or initiating criminal proceedings against an individual is a serious matter and cannot be done casually without examining the nature of allegations and supporting evidence.

• **Necessity of Preliminary Enquiry in Official & Commercial Matters:** In the landmark Constitution Bench judgment of *Lalita Kumari vs. Govt. of U.P.* [(2014) 2 SCC 1], the Supreme Court explicitly carved out exceptions where a **Preliminary Enquiry** is warranted before registering an FIR, specifically identifying **commercial offences and corruption allegations** involving public servants, so as to verify whether the information discloses a cognizable offence at all and to prevent the harassment of innocent officials.

• **Protection of Bona Fide Commercial Decisions:** The Supreme Court, in *CBI vs. Duncans Agro Industries Ltd.* [(1996) 5 SCC 591] and *Subrata Chattoraj vs. Union of India*, has emphasized that every commercial loss, procedural deviation or error of judgment in a public enterprise does not constitute criminal breach of trust or cheating unless dishonest intention (*mens rea*) at the very inception is clearly established.

• **Right to Reputation and Dignity under Article 21:** In *State of Bihar vs. Lal Krishna Advani* [(2003) 8 SCC 361] and *Subramanian Swamy vs. Union of India* [(2016) 7 SCC 221], the Apex Court affirmed that the right to reputation is an integral facet of the Right to Life with Dignity under Article 21 of the Constitution. An unsubstantiated FIR inflicts irreversible social stigma and professional ruin even if the officer is subsequently exonerated.

• **Curbing Frivolous FIRs under New Criminal Jurisprudence:** The Hon'ble Supreme Court has recently reiterated that mechanical registration of FIRs without preliminary verification has led to a proliferation of frivolous criminal cases against officials, validating the statutory inclusion of preliminary enquiry mechanisms under **Section 173(3) of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023**.

ii. Violation of Statutory Safeguards (PC Act & BNSS)

The existing situation is essentially required to be examined with specific reference to prevailing legal parlance, especially provisions of the **Prevention of Corruption Act, 1988** as it stands out to be India's primary anti-corruption legislation designed to penalize bribery and criminal misconduct among public servants, including Bank Officers while ensuring built-in procedural safeguards to protect honest officials from malicious harassment.

Section 17A of the Prevention of Corruption Act, 1988 (as amended in 2018): Parliament deliberately inserted Section 17A to shield honest public servants from vexatious enquiries or investigations into decisions taken in the discharge of official functions, mandating prior approval from the competent authority before any police agency can even initiate an enquiry. Bypassing internal scrutiny to directly file an FIR defeats the very legislative intent of Section 17A. • **Section 173(3) & Section 175(4) of BNSS, 2023:** The new criminal procedure code explicitly recognizes the need for threshold scrutiny and preliminary verification (within 14 days) before registering an FIR in cases punishable between 3 to 7 years, as well as strict procedural guardrails before initiating criminal action against public servants acting in the discharge of official duties.

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iii. Contravention of Central Vigilance Commission (CVC) Guidelines The CVC Vigilance Manual and the Special Chapter on Vigilance Management in Public Sector Enterprises lay down unambiguous directives for PSU / PSB Managements:

• **Distinction Between Bonafide Error and Vigilance Angle:** The CVC strictly distinguishes between an administrative/procedural lapse or bonafide business loss and an act involving a vigilance angle (malafide intent, illegal gratification, or gross abuse of power). Routine operational errors must be dealt with through administrative counseling or relevant provisions of SBIOSR, 1992 and never through police FIRs. • **Mandatory Fact-Finding Before External Referral:** Before referring any matter to external law enforcement agencies (CBI or Local Police), the Management and the Vigilance Department are duty-bound to conduct a discreet preliminary fact-finding inquiry, examine official records and afford the concerned officer all reasonable opportunities to explain the context of the decision.

iv. Severe Organisational Consequences: "Decision Paralysis" When officers witness their peers being subjected to criminal FIRs without preliminary proof or institutional backing, it creates an atmosphere of peer level mistrust and weakens the team spirits.

a. Atmosphere of Fear: Executives become reluctant to take timely commercial, procurement or operational decisions, leading to severe "decision paralysis" that directly harms the Bank's productivity, profitability and competitiveness.

b. Erosion of Institutional Trust: A management that fails to stand by its officers during bonafide discharge of duties loses the moral authority and trust of its workforce.

c. Wastage of Public Resources: Defending baseless criminal litigations diverts valuable organizational time, legal expenditure and executive bandwidth away from core business objectives.

6. Sir, you are undoubtedly aware of the celebrated principle of jurisprudence articulated by the eminent English jurist Sir William Blackstone: ***"It is better that ten guilty persons escape than that one innocent suffer."*** This principle reflects the fundamental philosophy underlying the presumption of innocence and the requirement of proof beyond reasonable doubt, which constitute the bedrock of our criminal justice system.

Against this backdrop, it is deeply distressing that officers are, in certain instances, subjected to criminal proceedings on grounds that may not have been adequately examined or supported by sufficient prima facie material. The consequences of such action extend far beyond the immediate legal implications. An officer named in an FIR may face the prospect of arrest, social stigma, reputational damage, professional uncertainty and years of protracted litigation, even if the allegations ultimately remain unsubstantiated. In some cases, the criminal proceedings may continue for an exceptionally long period, leaving the concerned officer and family under sustained mental, financial and emotional distress. Further, such lodgement of FIR without a foolproof firsthand internal investigation will create a notion of the officers being guilty with a propensity of impacting the future outcome of the disciplinary proceedings if any, predominantly overpowered by a pre-conceived notion adopted at every subsequent step defying the principle of Natural Justice.

Such experiences inevitably create a sense of insecurity, frustration and alienation among the workforce and may seriously undermine the trust and confidence that employees repose in the institution they have served with dedication and commitment over the years.

7. We are, therefore, of the considered view that this sensitive issue warrants immediate and serious consideration at the highest level of the Bank's Management. Human capital is undoubtedly the Bank's most valuable asset, and the protection of the dignity, rights and legitimate interests of its employees must remain an integral part of its institutional governance.

Our observation calling for immediate action:

In light of the constitutional, statutory, and judicial mandate outlined above, the we respectfully demand that the Management:

Shubhajyoti Chattopadhyay
General Secretary
Mobile : 9434551152

A. Immediate Withdrawal / Review: Immediately review the recent FIR(s) lodged against officers in the absence of *prima facie* evidence and take necessary steps before the appropriate legal/police authorities to rectify any premature or unsubstantiated criminal complaint.

B. Institutionalise a Pre-FIR Screening Committee: Issue a clear policy directive/SOP mandating that no police complaint or FIR shall be lodged against any serving or retired officer without: (a) a formal Preliminary FactFinding Inquiry; (b) clear documentary proof establishing *prima facie* criminal intent (*mens rea*) and a distinct vigilance angle; (c) seeking a written explanation from the concerned officer affording a fair opportunity to him to for rebuttal of any prima facie allegations; and (d) formal vetting by the Legal Department, concurrence of the CVO and explicit approval of the competent authority in the Bank.

C. Adherence to SBIOSR: Ensure that matters involving purely procedural deviations or bona fide commercial losses are handled strictly within the framework of the organisation's internal Rules rather than criminalizing administrative actions.

In view of the foregoing, we earnestly request you to kindly convene an urgent meeting with our Federation to deliberate upon the various dimensions of this issue and to consider the suggestions and inputs of the Federation before finalising an appropriate framework. We further request that the Bank formulate and issue a comprehensive, uniform and clearly defined guideline/SOP governing the initiation and lodgement of criminal complaints and FIRs against officers and employees.

Such guidelines should, inter alia, provide for objective assessment of the allegations, identification of the essential ingredients of the alleged criminal offences, examination of prima facie evidence, appropriate legal scrutiny by designated authorities, a clearly defined approval mechanism, recording of reasons for the decision taken and adequate safeguards against arbitrary or disproportionate action. The framework should also clearly distinguish between cases involving genuine criminal misconduct, particularly those involving fraud, dishonest intention or collusion, and matters that are essentially disciplinary, procedural or administrative in nature.

We firmly believe that such a structured mechanism would serve the dual purpose of protecting the Bank's legitimate interests while ensuring fairness, accountability and due protection to its employees. It would also prevent avoidable litigation, preserve employee morale and reinforce the confidence of the workforce in the Bank's internal accountability framework.

8. In view of the seriousness and far-reaching implications of the matter, we request you to kindly accord the issue your utmost priority and initiate necessary action at the earliest. We sincerely hope that the Management will appreciate the gravity of the situation and take appropriate steps towards formulating a comprehensive and balanced policy in consultation with the Federation.

Yours sincerely,

Sd/-
(Rupam Roy)
General Secretary

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