



Canara Bank Officers' Union[Regd.]
 [AFFILIATED TO ALL INDIA BANK OFFICERS' ASSOCIATION]
 A.K.Nayak Bhavan, 2nd Floor 14, Second Line Beach,
 CHENNAI-600 001



Mobile: President 09384870387 / General Secretary 09387040511 / Phone:
 044-25211788 Email: cbou.hq@gmail.com / mascbou@yahoo.co.in / web:
www.cbou.org

REF: CBOU/47/2020-GS

DATE : 07-10-2020

To

**THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 CANARA BANK,
 HEAD OFFICE
 112 J C ROAD
 BANGALORE 560 001**

Dear Sir

**Sub: POSTING JMG Scale 1 OFFICERS AS BRANCH IN CHARGE
 Ref : Branch Categorisation Circulars issued on various occasions**

A very good morning to you sir. Our Union has been consistently representing with the administration for several years, requesting the bank to post Officers in Scale II and above only, as branch in charge, putting forth valid reasons, justifying our request. In 2015, when Scale 1 officers during their probation period itself were posted as branch in charges of newly opened branches by some circles, a letter bearing number CBOU:02 2015 dated 25.02.2015, requesting the MD & CEO of the bank to revisit such a decision was submitted by our union, placing the necessary grounds for such a request.

Now, the Bank has released the latest circular No 375/2020 dated 20.05.2020 on branch categorisation. It is felt that it is pertinent on the part of our union to again renew our request to the bank, to ensure that all our branches under the amalgamated entity are headed by Scale 2 and above only.

It is imperative for our union to suggest here that Categorization of Branches cannot be viewed in isolation, but has to be dealt with, in consonance with the Credit Sanctioning Powers vested by the Bank to the Concerned Officials, which is documented in the "Delegation of Powers" Circulars issued by the Bank from time to time.

We have prepared a tabular format in which the branch categorisation for posting Scale 1 officers and also the delegation of credit sanction powers vested to such JMG Scale 1 officers, during the relevant period through HO Circulars are furnished. Our union strongly believes that such tabulation will throw more light and strengthen our consistent request to the administration, to revisit the decision of posting Scale 1 officers as Branch in charges.

| | | | | |
|-----------|---------------------|----------------|--------|--|
| HO Cir. / | Business Parameters | Categorisation | Branch | |
|-----------|---------------------|----------------|--------|--|

| Date | | | Of the Branch | in Charge | Credit sanction powers Circular |
|------------------------|---|--|---------------|---|--|
| 236/2008 25.08.2008 | Total business up to Rs 2 Crores | | Small | Scale 2 | 236/2008 |
| 43/2009 02.02.2009 | Average Aggregate Deposits and Advances up to 5 Crores | | Small | Scale 1 with Minimum of 4 yrs service as officers | 236/2008 dt 25.08.2008 50/2009 dt 10.02.2009 |
| 700/2016 09.12.2016 | Average business for 2 years less than or equal to Rs 7.5 Crore | No separate stipulation for average advances | Small | Confirmed Scale one Officers | 268/2014 dt 17.05.2014 280/2019 dt 13.06.2019 |
| 375/2020 20.05.2020 | Average total business up to Rs 10 Crore (excluding urban and metro branches) | No separate stipulation for average advances | Small | Confirmed Scale 1 Officers | HO Cir 320/2020 dt 02.05.2020 |

The details of credit sanction powers vested to the Scale 1 officers when such of the officers were posted as Branch in charges are furnished here under, culling out the data from the above mentioned circulars dealing with Delegation of credit sanction powers.

| Circular Number | Canara Site | Swarna Loan | Canara Budget/ Canara Pension | Teachers Loan | All other category of loans both under Non-Agri and Agriculture including Gold Loan, VSL and other Retail lending schemes |
|-----------------|---------------------------|------------------|-------------------------------|------------------|--|
| 236/2008 | Branch in charge | Branch in charge | Branch in charge | Branch in charge | Manager and above only either as branch head or second line |
| 50/2009 | No changes | No Changes | No changes | No changes | No changes |
| 268/2014 | No changes | No changes | No changes | No changes | No changes |
| 280/2019 | No Powers to Small Branch | No changes | No changes | No changes | Credit Sanction powers at all branches shall be vested with branch in charge only. However credit Managers/Senior Managers can sanction Gold loans and VSL/OD against our own deposits up to their delegated powers. |
| 320/2020 | No changes | No changes | | | Manager and above only either as branch head or second line |

From the details in this chart, our union wish to place the following points for due consideration.

- 1) When a scale 1 officer is posted as in charge of a small branch, the proceedings will be issued designating him as Scale 1 in charge of the transferee branch only and not as Manager Scale 1 in charge.
- 2) If such a scale 1 officer is posted as branch in charge of a small branch, the delegated credit sanction powers are restricted to only 5 category of loans, that too all falling under retail lending schemes namely Canara site, Swarna Loan, Canara Budget, Canara Pension and Teachers loan for more than a decade. As per Cir 280/2019, the Canara Site sanction powers for branch in charge of a small branch stands removed. Sanctioning powers of rest of all loans falling under Non-Agri General advances, Retail lending schemes, Agriculture advances including Gold loans and VSL against our own deposits are vested with Manager and above only depending on the category of branch where he is posted.
- 3) Whereas the incumbency norms have been changed from the year 2009 to enable posting of Scale 1 officers as branch in charge of small branches, which is mentioned as under.
- 4) “In terms of Regulation 6 (2) of Canara Bank Service Regulation 1979 “For the purpose of categorisation of posts under sub Regulation (1), every branch of the Bank shall be classified by the bank, in accordance with the criteria to be approved by the Board of the Bank”
- 5) The Scale 1 officer posted as branch in charge of a small branch cannot insist for getting fixed with the targets under the 5 specific retail lending schemes alone delegated to them for credit sanction under the above circulars, since the fixing of targets for all branches on all business parameters is the role of Regional Office.
- 6) When it is stipulated that Managers / Senior Managers in charge of Small Branches only can sanction Housing Loan, Canara Cash (Retail Lending) & DUAL, LHV to employees and Loans categorised as in Chart 7 as well as Loans against own deposits can be sanctioned by Manager in Charge of Small Branch, as per the delegation of Credit Sanction Powers vested to him as Branch in Charge of Small Branch, the Scale 1 Officer has to send all the applications received from the customers under Gold Loan, VSL against our own deposits, MSME, Agriculture, Business loans, Other Retail Lending Scheme Loans like Housing Loan, Canara Cash, Employees’ DUAL & LHV etc., for sanction to the Next Higher Authority at Regional Office. After receiving the sanction from the appropriate authorities, he /she has to obtain the documentation and disburse the loan. Very few loans like Agri Loans to Employees, Staff loans against approved securities only can be sanctioned by Branch In-charge of Small Branch subject to Powers Delegated under Chart 7.
- 7) The above process will not only add to the work load to the Sanctioning Authority at Regional Office, but also cause delay in sanction, which may give a negative opinion about the branch in the market and there is every possibility that the business shift to other banks may occur. If such Small Branch was previously headed by Scale 2 or 3, the negative opinion from the general public on the Branch is highly possible.
- 8) As per the latest categorisation of branches, the branches classified as small as per the business parameters stipulation, are to be headed by Confirmed Scale 1 officers in Rural and Semi urban centre only. Whereas such small branches in urban and metro centres will be headed by Scale 2 managers only. Whereas the thrust for Gold loans will be substantially high in rural/semi urban branches only.
- 9) The criteria of posting a confirmed Scale 1 officer as in charge of small branch is always a matter of subjectivity from the view point of the HRM Section of the concerned circle. There is every possibility that some circles may post an officer who has just completed probation and some circles may prefer

to post Scale 1 officer with 3 to 4 years of service including probation and some circles may prefer to post a Scale 1 officer with 3 to 4 years of service excluding probation. The probation period itself is not uniform for all the officers, as it is different for different category of officers such as in house promotees, probationary officers joining after completing PGDBF in tie up universities like Manipal and Direct Recruit officers from IBPS.

- 10) Since it is decided as 'Confirmed Scale 1 Officers' shall be the incumbents of the Small branches (excluding urban and metro branches), there are chances that some officers, who work in urban and metro branches might not get chance of working in Rural or Semi-urban branch even at the time of getting promotion, whereas some Scale 1 officers, who are not eligible for promotion may be heading a branch in Rural or Semi-urban places.
- 11) In case one Scale 1 officer is posted as branch in charge and another Scale I officer posted under him is expected to perform duties of non in charge officer, it may create a sort of inferiority complex in the latter's mind and it may not be good for the development of the branch vis-à-vis the Bank, as the Bank need to treat officers in the same category equally in respect of duties they need to perform.
- 12) As per the extant guidelines on Delegated Credit Sanctioning Powers, credit sanctioning powers shall be vested with the Branch-in-charges only. Hence, Credit Managers / Senior Managers in VLBs/ELBs (Scale 2 & Scale 3) can sanction only Gold Loans and VSL/OD against our own deposits up to their delegated powers and don't have power to sanction any other category of loans. In the meanwhile, Scale I Officers, who were posted as in-charge at Rural and Semi-Urban are expected to sanction all category of loans as in Chart 7 and Retail Loans as in Chapter 8.
- 13) The Scale 1 officer posted as branch in charge, out of zeal or enthusiasm or eagerness to achieve targets under advances parameters, may be proceeding with sanctioning all types of loans delegated to Manager of small branch, which may go unnoticed even at the credit review level by Next higher Authority or at the time of RBIA, as there is a possibility of misinterpretation of the terminologies namely MANAGER OF A SMALL BRANCH and BRANCH IN CHARGE OF A SMALL BRANCH.
- 14) In the event of such an advance slipping to NPA, there is every possibility that the authority of the Scale 1 officer who sanctioned the loan without a fair idea of the delegated credit sanction powers may be treated as a staff lapse by the controlling authorities at the time of preferring further course of action. This will adversely affect the career path of the young bud.
- 15) Due to the very limited experience in the branch banking during the initial years of service including probation, the Scale 1 officer posted as in charge of the branch would not have had the opportunities of learning the nuances of dealing and handling of customers, particularly the cleverness to be exhibited in ensuring recovery and obtention of AOD in sticky accounts.
- 16) It is not out of context to mention an untoward incident happened couple of years back in one of the southern circles, when a young officer who had just completed his probation was designated as the branch in charge of a medium branch and during the process of visiting a borrower's residence for obtaining AOD, the young officer was manhandled at the end of the altercation. The then GM of the circle had to rush to the district headquarters to prefer a police complaint on the borrower.
- 17) Above all, the present day young generation of officers prefer faster career elevation only and majority of them very rarely remain as Scale 1.
- 18) The small branches identified for posting scale 1 officers as branch in charge may be utilised for posting promotee managers to complete their mandatory rural/semi urban service as post promotion

condition stipulated by Department of Financial Services, since as per HO cir 375/2020, small branches in rural and semi urban centres are to be headed by confirmed scale 1 officers.

Hence considering the above submissions, our union request the administration to revisit the decision of the board as conveyed in HO Cir 375/2020 and consider only Scale 2 Managers as branch in charges of small branches which will be in perfect sync with the delivery of credit as per delegation of credit sanction powers besides ensuring the prospective career path of the young officers who have joined the bank with great dreams.

Hope our suggestions will be considered positively and necessary advisory will be communicated at the earliest.

Thanking you

Yours faithfully

A handwritten signature in black ink, appearing to read 'H Vinod Kumar', with a large loop at the top and a horizontal line at the bottom.

**H VINOD KUMAR
GENERAL SECRETARY**