

**ANNEXURE-I**  
**CANARA BANK SERVICE CODE**

**CHAPTER XI**

1. A person against whom disciplinary action is proposed or likely to be taken shall in the first instance, be informed of the particulars of the charge against him and he shall have a proper opportunity to give his explanation as to such particulars. Final orders shall be passed after due consideration of all the relevant facts and circumstances. With this object in view, the following shall apply.

1A. Disciplinary action means imposing on an employee punishment as hereinafter provided with a view to punish or correct any misconduct on his part. Such action is said to be taken when an order imposing punishment is passed and the punishment imposed shall take effect on the date of the order unless the order specifies a different date for the purpose.

1B. Pointing out or correcting any mistake in the work done by or in the conduct of any employee, tendering to any employee, whether orally or in writing any advice or admonition, requiring any employee whether orally or in writing to explain any work done by him or any conduct on his part, or warning an employee that if he does not correct himself disciplinary action may have to be taken against him, or such or similar action is not disciplinary action.

2. By the expression "offence" shall be meant any offence involving moral turpitude for which an employee is liable to conviction and sentence under any provision of Law.
3. a) When in the opinion of the management, an employee has committed an offence, unless he be otherwise prosecuted, the bank may take steps to prosecute him or get him prosecuted and in such a case, he may also be suspended. On suspension he may be paid subsistence allowance as laid down in the Schedule.

b) If he is convicted, he may be dismissed with effect from the date of his conviction or be given any lesser form of punishment as mentioned in Clause 6 below.

*Note: For awarding punishment under sub-clause (b) above no enquiry as provided under this Chapter shall be necessary.*

c) If he is acquitted, it shall be open to the management to proceed against him under the provisions set out below in Clauses 11 and 12 infra relating to discharges. However, in the event of the management deciding after enquiry not to continue him in service, he shall be liable only for termination of service with three months' pay and allowances in lieu of notice. And he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full pay and allowances minus

such subsistence allowance as he has drawn and to all other privileges for the period of suspension provided that if he is acquitted by being given the benefit of doubt he may be paid such portion of such pay and allowances as the management may deem proper, and the period of his absence shall not be treated as a period spent on duty unless the management so directs.

d) If he prefers an appeal or revision application against his conviction and is acquitted in case he had already been dealt with as above and he applies to the management for reconsideration of his case, the management shall review his case and may either reinstate him or proceed against him under the provisions set out below in Clauses 11 and 12 infra relating to discharge, and the provision set out above as to pay, allowances and the period of suspension will apply, the period up-to-date for which full pay and allowances have not been drawn being treated as one of suspension. In the event of the management deciding, after enquiry not to continue him in service, the employee shall be liable only for termination with three months' pay and allowance in lieu of notice, as directed above.

4. If after steps have been taken to prosecute an employee or to get him prosecuted, for an offence, he is not put on trial within a year of the commission of the offence, the management may then deal with him as if he had committed an act of "gross misconduct" or of "minor misconduct", as defined below; provided that if the authority which was to start prosecution proceedings refuses to do so or comes to the conclusion that there is no case for prosecution it shall be open to the management to proceed against the employee under the provisions set out below in Clauses 11 and 12 infra relating to discharge, but he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full wages and allowances and to all other privileges for such period. In the event of the management deciding, after enquiry, not to continue him in service, he shall be liable only for termination with three months' pay and allowances in lieu of notice as provided in Clause 3 above. If within the pendency of the proceedings thus instituted he is put on trial such proceedings shall be stayed pending the completion of the trial, after which the provisions mentioned in Clause 3 above shall apply.

*Notwithstanding contained is Regulation (3) and (4) of this Chapter, it shall not be obligatory on the part of the Bank to take steps to prosecute an employee or to get him prosecuted if the Offence committed by him is not one committed in the course of his employment in the Bank, unless it is obligatory so to do under the provisions of any law for the time being in force. If in such a case, the employee is actually prosecuted by Authorities competent to prosecute him, then the above mentioned Regulation (3) and (4) shall apply as if the Bank had taken steps to prosecute the employee or get him prosecuted.*

5. By the expression "gross misconduct" shall be meant any of the following acts and omissions on the part of an employee:
- (a) engaging in any trade or business outside the scope of his duties except with the written permission of the bank;
  - (b) unauthorized disclosure of information regarding the affairs of the bank or any of its customers or any other person connected with the business of the bank which is confidential or the disclosure of which is likely to be prejudicial to the interests of the bank;
  - (c) drunkenness or riotous or disorderly or indecent behavior on the premises of the bank;
  - (d) willful damage or attempt to cause damage to the property of the bank or any of its customers;
  - (e) willful insubordination or disobedience of any lawful and reasonable order of the management or of a superior;
  - (f) habitual doing of any act which amounts to "minor misconduct" as defined 'below, "habitual" meaning a course of action taken or persisted in, notwithstanding that at least on three previous occasions censure or warnings have been administered or an adverse remark has been entered against him;
  - (g) willful slowing down in performance of work;
  - (h) gambling or betting on the premises of the bank;
  - (i) speculation in stocks, shares, securities or any commodity whether on his account or that of any other persons;
  - (j) doing any act of gross negligence or negligence involving or likely to involve the bank in serious loss;
  - (k) giving or taking a bribe or illegal gratification from a customer or an employee of the bank;
  - (l) abetment or instigation of any of the acts or omissions above mentioned;
  - (m) Knowingly making a false statement in any document pertaining to or in connection with his employment in the bank;
  - (n) Resorting to unfair practice of any nature whatsoever in any examination conducted by the Indian Institute of Bankers or by or on behalf of the bank and where the employee is caught in the act of resorting to such unfair practice and a report to that effect has been received by the bank from the concerned authority;
  - (o) Resorting to unfair practice of any nature whatsoever in any examination conducted by the Indian Institute of Bankers or by or on behalf of the bank in cases not covered by the above Sub Clause(n) and where a report to that effect has been received by the bank from the concerned authority and the employee does not accept the charge;
  - (p) Remaining unauthorisedly absent without intimation continuously for a period exceeding 30 days;
  - (q) Misbehaviour towards customers arising out of bank's business;
  - (r) Contesting election for parliament / legislative assembly / legislative council / local bodies / municipal corporation/ panchayat, without explicit written

- permission of the bank;
- (s) Conviction by a criminal Court of Law for an offence involving moral turpitude;
- (t) indulging in any act of 'sexual harassment' of any woman at her workplace;  
Note: Sexual harassment shall include such unwelcome sexually determined behaviour (whether directly or otherwise) as
  - (a) physical contact and advances;
  - (b) demand or request for sexual favours;
  - (c) sexually coloured remarks;
  - (d) showing pornography; or
  - (e) any other unwelcome physical verbal or non-verbal conduct of a sexual nature.

6. An employee found guilty of gross misconduct may:

- (a) be dismissed without notice; or
- (b) be removed from service with superannuation benefits i.e. Pension and/ or Provident Fund and Gratuity as would be due otherwise under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or
- (c) be compulsorily retired with superannuation benefits i.e. Pension and/ or Provident Fund and Gratuity as would be due otherwise under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or
- (d) be discharged from service with superannuation benefits i.e. Pension and/ or Provident Fund and Gratuity as would be due otherwise under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or
- (e) be brought down to lower stage in the scale of pay up to a maximum of two stages and for a maximum period of two years; or

[Note: This punishment shall be non-cumulative and annual increment(s)/stagnation increment(s) falling during the period of punishment shall be released on the respective due date(s)].

- (f) have his increment/s stopped with or without cumulative effect; or  
[Note: Specific period of rigour shall be mentioned].
- (g) have his special pay withdrawn; or
- (h) be warned or censured, or have an adverse remark entered against him; or

7. By the expression "minor misconduct" shall be meant any of the following acts and omissions on the part of an employee:

- (a) absence without leave or overstaying sanctioned leave without sufficient grounds;
- (b) unpunctual or irregular attendance;
- (c) neglect of work, negligence in performing duties;
- (d) breach of any rule of business of the bank or instruction for the running of any department;

- (e) committing nuisance on the premises of the bank;
  - (f) entering or leaving the premises of the bank except by an entrance provided for the purpose;
  - (g) attempt to collect or collecting moneys within the premises of the bank without the previous permission of the management or except as allowed by any rule or law for the time being in force;
  - (h) holding or attempting to hold or attending any meeting on the premises of the bank without the previous permission of the management or except in accordance with the provisions of any rule or law for the time being in force;
  - (i) canvassing for union membership or collection of union dues or subscriptions within the premises of the bank without the previous permission of the management or except in accordance with the provisions of any rule or law for the time being in force;
  - (j) failing to show proper consideration, courtesy or attention towards officers, customers or other employees of the bank, unseemly or unsatisfactory behavior while on duty;
  - (k) marked disregard of ordinary requirements of decency and cleanliness in person or dress;
  - (l) incurring debts to an extent considered by the management as excessive;
  - (m) resorting to unfair practice of any nature whatsoever in any examination conducted by the Indian Institute of Bankers or by or on behalf of the bank in cases not covered by sub clause (n) under 'Gross Misconduct' and where a report to that effect has been received by the bank from the concerned authority and the employee accepts the charge;
  - (n) refusal to attend training programmes without assigning sufficient and valid reasons;
  - (o) Not wearing, while on duty, identity card issued by the bank;
  - (p) Not wearing, while on duty, the uniforms supplied by the bank, in clean condition.
  - (q) doing any act prejudicial to the interest of the Bank.
  - (r) misconducts covered under clause 7 (a) to (q) shall not be made out as "gross misconduct" under clause 5.
8. An employee found guilty of minor misconduct may:
- (a) be warned or censured; or
  - (b) have an adverse remark entered against him; or
  - (c) have his increment stopped for a period not longer than six months.
9. A workman found guilty of misconduct, whether gross or minor, shall not be given more than one punishment in respect of any one charge.
10. In all cases in which action under Clauses 4, 6 or 8 may be taken, the proceedings held shall be entered in a book kept specially for the purpose, in which the date on which the proceedings are held, the name of the employee proceeded against, the charge or

charges, the evidence on which they are based, the explanation and the evidence, if any, tendered by the said employee, the finding or findings, with the grounds on which they are based and the order passed shall be recorded with sufficient fullness, as clearly as possible and such record of the proceedings shall be signed by the officer who holds them, after which a copy of such record shall be furnished to the employee concerned if so requested by him in writing.

11. When it is decided to take any disciplinary action against an employee such decision shall be communicated to him within three days thereof.

12. The procedure in such cases shall be as follows:-

(a) An employee against whom disciplinary action is proposed or likely to be taken shall be given a charge sheet clearly setting forth the circumstances appearing against him and a date shall be fixed for enquiry, sufficient time being given to him to enable him to prepare and give his explanation as also to produce any evidence that he may wish to tender in his defence. He shall be permitted to appear before the Officer conducting the enquiry, to cross-examine any witness on whose evidence the charge rests and to examine witnesses and produce other evidence in his defence. He shall also be permitted to be defended.

i. (x) by a representative of a registered trade union of bank employees of which he is a member on the date first notified for the commencement of the enquiry.

(y) where the employee is not a member of any trade union of bank employees on the aforesaid date, by a representative of a registered trade union of employees of the bank in which he is employed;

(z) by any employee of the Bank; OR

ii. at the request of the said union by a representative of the state federation or all India Organisation to which such union is affiliated; OR

iii. with the Bank's permission, by a lawyer.

The Enquiry Officer shall record in writing all the evidence produced in support of the charge as well as the evidence if any, produced on behalf of the employee. If the enquiring officer thinks fit or expedient to do so, he may require the employee to sign or initial the record.

As soon as possible after an enquiry is concluded the Enquiry Officer shall record in writing the result of the enquiry in the form of report to the Disciplinary Authority. The said report shall contain the Enquiry Officer's finding with his reasons for the same. If the Disciplinary Authority disagrees with the findings of the Enquiring Officer on all or any article of charge, he shall record his tentative reasons for such disagreement and shall make available a copy of such tentative reasons to the

employee for his submissions, if any. On receipt of his submission, if any, the Disciplinary Authority shall record his findings on such charge. The employee shall also be given a hearing as regards the nature of the proposed punishment in case any charge is established against him before awarding punishment.

- (b) Pending such enquiry or initiation of such enquiry he may be suspended. On suspension he may be paid subsistence allowance as laid down in the Schedule. Such suspension, unless terminated earlier, shall be deemed to continue till and to terminate on the passing of an order exonerating him or imposing a punishment on him. However if on the conclusion of the enquiry it is, decided to take no action against him he shall be deemed to have been on duty and shall be entitled to the full wages and allowances and to all other privileges for the period of suspension; and if some punishment other than dismissal is inflicted the whole or a part of the period of suspension, may, at the discretion of the management, be treated as on duty with the right to a corresponding portion of the wages, allowances, etc.

An employee placed under suspension pending disciplinary action shall be given an opportunity to represent to the management to reconsider the order of suspension.

- (c) In awarding punishment by way of disciplinary action the authority concerned shall take into account the gravity of the misconduct, the previous record, if any, of the employee and any other aggravating or extenuating circumstances, that may exist. Where sufficiently extenuating circumstances exist the misconduct may be condoned and in case such misconduct is of the "gross" type he may be merely discharged, with or without notice or on payment of a month's pay and allowances, in lieu of notice. Such discharge may also be given where the evidence is found to be insufficient to sustain the charge and where the bank does not, for some reason or other, think it expedient to retain the employee in question any longer in service. Discharge in such cases shall not be deemed to amount to disciplinary action.
- (d) If the representative defending the employee is an employee of the same bank at an outstation branch within the same State, he shall be relieved on special leave (on full pay and allowances) to represent the employee and be paid one return fare. The class' of fare to which he will be entitled would be the same as while travelling on duty, In case of any adjournment at the instance of the bank / enquiry officer, he may be asked to resume duty and if so, will be paid fare for the consequential journey. He shall also be, paid full halting allowance for the period he stays at the place of the enquiry for defending the employee as also for the days of the journeys which are undertaken at the bank's cost.

If the representative defending the employee is an employee of the same bank at an outstation branch situated outside the state, on a case to case basis as may be decided by the bank, he shall be relieved on special leave (on full pay and

allowances) to represent the employee and shall be paid one return fare.

Explanation: 'State' for the purpose, shall mean the area which constitutes a political State.

- (e) An enquiry need not be held if:
- (i) the bank has issued a show cause notice to the employee advising him of the misconduct and the punishment for which he may be liable for such misconduct;
  - (ii) the employee makes a voluntary admission of his guilt in reply to the aforesaid show cause notice; and
  - (iii) the misconduct is such that even if proved the bank does not intend to award the punishment of discharge or

However, if the employee concerned requests a hearing regarding the nature of punishment, such a hearing shall be given.

- (f) An enquiry need not also be held if the employee is charged with minor misconduct and the punishment proposed to be given is warning or censure. However,
- (i) the employee shall be served a show cause notice advising him of the misconduct and the evidence on which the charge is based; and
  - (ii) the employee shall be given an opportunity to submit his written statement of defence, and for this purpose has a right to have access to the documents and material on which the charge is based;
  - (iii) if the employee requests a hearing such a hearing shall be represented by a representative authorized to defend him in an enquiry had such an enquiry been held.
- (g) Where an employee is charged with a minor misconduct and an enquiry is not held on two previous occasions, an enquiry shall be held in respect of the third occasion.

13. Where the provisions of the Bi-partite Settlements are in conflict with the procedure or rules of this Code regarding disciplinary action, they shall prevail over the latter.

14. The Managing Director & Chief Executive Officer/Principal Officer of the bank shall decide which officer (i.e. the disciplinary authority) shall be empowered to take disciplinary action in the case of each office or establishment. He shall also decide which officer or body higher in status than the officer authorized to take disciplinary action shall act as the appellate authority to deal with or hear and dispose of any appeal against orders passed in disciplinary matters. These authorities shall be nominated by designation, to pass original orders or hear and dispose of appeals from time to time and a notice specifying the authorities so nominated shall be published from time to time on the bank's notice board.

The disciplinary authority may conduct the enquiry himself or appoint another officer



as the Enquiry Officer for the purpose of conducting an enquiry.

If multiple charges as per procedural lapses are made out, then the punishment given in such cases shall be one.

Disciplinary Authority shall have the discretion to decide whether the punishment will affect the superannuation benefits of the employee or not, in case where the punishment is affecting the superannuation benefits.

The Appellate Authority shall, if the employee concerned is so desirous, in a case of dismissal, hear him or his representatives before disposing of the appeal, in cases where hearings are not required, an appeal shall be disposed of within two months from the date of receipt thereof. In cases where hearings are required to be given and requested for, such hearings shall commence within one month from the date of receipt of the appeal and shall be disposed of within one month from the date of conclusion of such hearings. The period within which an appeal can be preferred shall be 45 days from the date on which the original order has been communicated in writing to the employee concerned.

An employee who has been awarded the punishment of Dismissal, Compulsory Retirement, discharge or removal from service by the Disciplinary Authority and subsequently where the punishment is confirmed by the Appellate Authority, shall be given an opportunity to seek reconsideration by an authority higher than the Appellate Authority.

15. Every employee who is dismissed or discharged shall be given a service certificate, without avoidable delay.
16. Any notice, order, charge sheet, communication or intimation which is meant for an individual employee, shall be in a language understood by the employee concerned. In the case of an absent employee, notice shall be sent to him by registered post with acknowledgement due. If an employee refuses to accept any notice, order, charge-sheet, written communication or written intimation in connection with disciplinary proceedings when it is sought to be served upon him, such refusal shall be deemed to be good service upon him, provided such refusal takes place in the presence of at least two persons including the person who goes to effect service upon him. Where any notice, order, charge-sheet, intimation or any other official communication which is meant for an individual employee is sent to him by registered post acknowledgement due at the last recorded address communicated in writing by the employee and acknowledged by, the bank, the same is to be deemed as good service.

Note: Where the employee proceeded against is not acquainted with the English language, he shall be furnished with a translation of such charge-sheet, notice or the

like in an Indian language known to him.

Date of effect - The amendments made into this Chapter in pursuance to changes in 11<sup>th</sup> Bi-partite Settlement will come into effect from 01.11.2020.

### **Schedule**

#### **A. Subsistence Allowance:**

In respect of Regulation 12(b) the following may be noted. As per the provisions of the Bipartite Settlement dated 8/9/93 the following shall apply in regard to payment of subsistence allowance to workmen under suspension:-

Where the investigation is not entrusted to or taken up by an outside agency (i.e. Police/ CBI), subsistence allowance will be payable at the following rates:

- i) For the first 3 months  $\frac{1}{3}^{\text{rd}}$  of the pay and allowances which the workman would have got but for the suspension.
- ii) Thereafter  $\frac{1}{2}$  of the pay and allowances.
- iii) After one year, full pay and allowances if the enquiry is not delayed for reasons attributable to the concerned workman or any of his representatives. Where the investigation is done by an outside agency and the said agency has come to the conclusion not to prosecute the employee, full pay and allowances will be payable after 6 months from the date of receipt of report of such agency, or one year after suspension, whichever is later and in the event the enquiry is not delayed for reasons attributable to the workman or any of his representative.

#### **B. Disciplinary Authority/ Appellate Authority / Reviewing Authority:**

##### **(a) Disciplinary Authority:**

1. The Assistant General Manager in Circle Office shall be the Disciplinary Authority for workmen employees of branches/ offices coming under respective Circle Office. In his absence, the Deputy General Manager in Circle Office shall be the Disciplinary Authority.
2. At Head Office, the Assistant General Manager of Human Resources Wing shall be the Disciplinary Authority for workmen employees. In the absence of Assistant General Manager, Human Resources Wing, a Deputy General Manager at Head Office duly nominated by the General Manager/ Chief General Manager, Human Resources Wing, Head Office shall be the Disciplinary Authority.

b) Appellate Authority:

1. The Deputy General Manager of Human Resources Wing, Head Office shall be the Appellate Authority for workmen employees. In his absence a Deputy General Manager at Head Office duly nominated by the General Manager/ Chief General Manager, Human Resources Wing, Head Office shall be the Appellate Authority.
2. In case the order appealed against is of Deputy General Manager, then the appeal shall lie to the General Manager/ Chief General Manager, Human Resources Wing, Head Office.

Note: Any higher Authority other than stipulated hereinabove can also act as the Disciplinary Authority/ Appellate Authority. In case, any higher Authority has acted as a Disciplinary Authority or the Appellate Authority in the matter, the Appeal in the said matter should be placed atleast to next higher authority only.

(c) Reviewing Authority:

The Next higher Authority to the Authority who acted as Appellate Authority at Human Resource Wing, Head Office, Bangalore shall be Authority to reconsider the cases of punishment of Dismissal, Compulsory Retirement, Discharge or removal from service imposed by the Disciplinary Authority and subsequently confirmed by the said Appellate Authority.

\*\*\*\*\*