

**MEMORANDUM OF UNDERSTANDING ARRIVED AT ON 26.12.2012 BETWEEN THE MANAGEMENT OF THE KARNATAKA BANK LIMITED MANGALORE-575 002 AND THE REPRESENTATIVES OF THE KARNATAKA BANK OFFICERS' ORGANISATION (REGD.), MANGALORE-575 003, REPRESENTING THE OFFICERS OF THE BANK.**

**PARTIES PRESENT**

**Representing the Management  
Shriyuths**

- 1. P. Jayarama Bhat  
Managing Director**
- 2. S. Ramachandra Bhat  
Deputy General Manager (HR & IR)**
- 3. Raja B.S.  
Chief Manager (HR & IR)**

**Representing the K.B.O.O.  
Shriyuths**

- 1. B. Jayarama Naik  
President, KBOO**
- 2. K. Raghava  
General Secretary, KBOO**
- 3. K.S. Shreedhara Jois  
Vice President, KBOO**
- 4. M. Shashikanta Rao  
Joint Secretary, KBOO**

**PREAMBLE**

1. The promotion of Officers to Scale II, Scale III and Scale IV is presently governed by the Memorandum of Understanding dated 14.11.2009, signed between the Management and the Karnataka Bank Officers' Organisation.
2. As per the prevailing promotion policy, an officer in Scale I has to serve in that grade for a minimum of 6 years to be eligible to be interviewed for a Scale II post under the Seniority cum Merit channel and for a minimum of 3 years if he is to be considered under the Fast Track Promotion channel. An officer in Scale II has to serve in that grade for a minimum of 3 years to be eligible to be interviewed for a Scale III post. Similarly an officer is required to serve in that grade for a minimum of 2 years to be eligible to be interviewed for a Scale IV post. Due to the extended span of mandatory service in the lower grades, it is felt that the attrition level at Scale I is on the higher side. The zone of consideration for the next grade viz., II and III also gets considerably narrowed on account of this factor. This has affected the selection procedure itself and the Bank has not been able to make the optimum use of the existing promotion policy to fulfill its human resource objectives.

3. The framework of the existing Understanding on this issue was based on the then prevailing business environment and human resource profile of the Bank. As the said framework does not effectively cater to the current needs of the Bank, a revision of the same was felt essential.
4. The Management vide its letter dated 17.12.2012 invited the Karnataka Bank Officers' Organisation for a discussion on revision of the Memorandum of Understanding dated 14.11.2009 on the Promotion policy of officers in Scale I, II and III.
5. Accordingly, the representatives of the Management and the Karnataka Bank Officers' Organisation discussed various aspects of the said MoU on 24.12.2012 and arrived at an understanding in supersession of the previous MoUs as follows:-

### **TERMS OF THE AGREEMENT**

#### **6. (a) Promotion**

Of the declared vacancies in Officers in Scale II cadre every year, 50% will be selected through the Seniority-cum-Merit channel and 50% through the Fast Track Promotion channel. Vacancies in Scale III and Scale IV will be filled up through the Seniority-cum-Merit channel.

#### **(b) Specialised category under External channel**

The Management may recruit Chartered Accountants, Financial Analysts, Treasury Dealers, Specialised officers to handle Risk Management, Capital Planning, Stress Testing, ICAAP etc., either in Scale III or Scale IV cadre every financial year after mutual understanding to be arrived at between the parties hereof. The number of officers to be recruited under this category will be exclusive of the vacancies declared in the respective cadre for that particular financial year. However, those internal candidates who possess the eligibility criteria stipulated for the candidates under the external channel are also eligible to appear for the recruitment under this category.

#### **7. Eligibility for Promotion:**

##### **(a) From Scale I to Scale II**

##### **(i) Fast Track Channel**

The selection process under Fast Track channel will consist of a written test followed by an interview. Two years of continuous service including the probationary period in Scale I as on 1<sup>st</sup> April every year.

##### **(ii) Seniority cum Merit channel**

Five years of continuous service including the probationary period in Scale I as on 1<sup>st</sup> of April every year.

**(b) From Scale II to Scale III**

Three years of continuous service in Scale II as on 1<sup>st</sup> of April every year.

**(c) From Scale III to Scale IV**

Two years of continuous service including the probationary period in Scale III as on 1<sup>st</sup> of April every year.

**8. Submission of willingness:**

All eligible candidates who wish to appear for promotion from Scale I to II (both under Fast Track and Seniority-cum-Merit channel), from Scale II to Scale III and from Scale III to Scale IV are required to submit their willingness in writing to the HR & IR Department in the respective financial year.

**9. Weightage factors:**

Sl. No.	Criteria	Promotion from			
		Scale I-II Fast track	Scale I-II Seniority cum Merit	Scale II-III	Scale III-IV
1.	Service	NA	15	15	10
2.	Qualification	10	10	10	10
3.	Past Performance (Self Appraisal - as per format)	30	45	35	30
4.	Written test (for Fast Track)	30	NA	NA	NA
5.	Potential (Interview)	30	30	40	50
	Total	100	100	100	100

**a) Weightage for Service:**

The marks for service will be awarded as follows:

- From Scale I to II (Seniority cum Merit channel) - 3 marks for each completed year of service in Scale I over and above the minimum eligibility service of 5 years (max. marks : 15).
- From Scale II to III - 3 marks for each completed year of service in Scale II over and above the minimum eligibility service of 3 years (max. marks: 15)
- From Scale III to IV - 2 marks for each completed year of service in Scale III over and above the minimum eligibility service of 2 years (max. marks:10).
- For the purpose of calculation, service of six months and above will be considered as one year.

**b) Education Qualifications:**

Sl. No.	Qualification	Marks
1.	Graduation	2
2.	Post Graduation / LLB./ BL (except MBA/MCA)	2
3.	JAIIB / CAIIB-Part-I	2
4.	CAIIB / CAIIB-Part-II	3
5.	ICWA / ACS / MBA / MCA	3
6.	ACA	4
7.	Technical Qualification like B.Sc.(Agri.) / B.V. Sc./ B.F. Sc./B.E.	3
8.	Dip. in banking & Finance by the Indian Institute of Banking & Finance	1
9.	P.G. Dip. in Computer Science awarded by the recognized Universities	1

The marks are cumulative and the maximum marks to be awarded for qualification is subject to an upper ceiling of 10, However, no additional marks will be awarded for additional Post Graduation / Graduation degrees.

**c) Past Performance:**

For the purpose of evaluating the performance of officers, the Performance Appraisal System in force from time to time shall be followed. Performance of an eligible officer will be assessed based on the Self Appraisal Reports, received annually through his / her reporting officer.

**d) Written Test:**

- The written test under the Fast Track channel will consist of questions on English language and General Banking and will be of 100 marks.
- The written test may be either objective, descriptive or both.
- The written test will be given a weightage of 30 marks.

**e) Potential:**

The potential of the officers shall be assessed on the basis of an interview. The interview committee which will be constituted by the Managing Director will interview all the eligible candidates and prepare a final list of successful candidates.

## **10. Zone of consideration:**

### **(a) *Scale I to II - fast Track channel***

Based on the marks obtained by the candidates in the written test a list will be prepared in the descending order of merit to be called for interview. The zone of consideration for the interview will be in the ratio of 1 (vacancy) ; 2 (candidates). In case the required number of candidates appearing for the written test are not available in the ratio of 1 (vacancy) : 2 (candidates), the zone of consideration will be reduced upto the level of 1 (vacancy) : 1.5 (candidates). If the required number of candidates appearing for the written test are not available even in the ratio of 1 (Vacancy) : 1.5 (candidates) under the Fast track channel, then the vacancies will be decreased proportionately and the unfilled vacancies for that particular financial year under this group will be added to the Seniority-cum-Merit channel in Scale I. The candidates from the said merit list will be called for the interview in accordance with the zone of consideration.

### **(b) *Scale I to II - Seniority-cum-Merit channel***

The zone of consideration under this channel shall include all eligible officers who have completed five years of continuous service as on 1st of April. However the minimum required number of candidates under this channel will be in the ratio of (1 (vacancy) : 1.5 (candidates). If the required number of candidates are not available in the ratio of 1 (vacancy) : 1.5 (candidates) under this channel, then the vacancies will be decreased proportionately and the unfilled vacancies for that particular financial year under this group will be added to the Fast Track channel in Scale I.

### **(c) *Scale II to III***

The zone of consideration shall include all the eligible officers who have completed three years of continuous service in Scale II as on 1<sup>st</sup> of April.

### **(d) *Scale III to IV***

The zone of consideration shall include all eligible officers who have completed two years of continuous service in Scale III as on 1<sup>st</sup> of April.

## **11. Preparation of promotion list:**

Marks under the various parameters will be awarded to the officers who appear for the interview in accordance with the weightage factor mentioned above and a list of successful candidates in each cadre will be prepared. The list of promoted officers will then be published in the alphabetical order.

## **12. General Conditions:**

- i) The cut-off date for consideration of the eligibility norms and various weightage factors is 1<sup>st</sup> April of each year.
- ii) If the marks earned by two candidates are the same, then the officer who is senior in the cadre will be considered. In case the date of joining is also the same, then the officer who is senior in age will be considered.
- iii) There will not be any ceiling on the total number of attempts for the unsuccessful candidates to appear for the interview. However, candidates are entitled for the Travelling Allowance and other allowances for a maximum of 5 attempts in case of promotion from Scale I to Scale II, 4 attempts in case of promotion from Scale II to Scale III and 4 attempts in case of promotion from Scale III to Scale IV.
- iv) In a given year, an officer in Scale I will be considered for promotion under only one channel, i.e., either Fast Track or Seniority cum Merit channel.
- v) Only those officers who submit their willingness in writing to appear for promotion on or before the stipulated date mentioned each year will be called for the written test / interview. The HR & IR Department will inform the Head of each Branch / Office, the names of the officers who will be provisionally eligible to appear for the written test / interview.
- vi) The promotional vacancies will be notified on or before 31<sup>st</sup> August of every year.
- vii) The following will not be eligible to appear for the promotion process:
  - a) Officers who are under suspension.
  - b) Officers in respect of whom prosecution for a criminal charge is pending.
  - c) Officers against whom a punishment is imposed (including a warning) as a result of disciplinary proceedings and officers who are found guilty by the Court in the criminal prosecution are not eligible to appear for promotion for a period of two years from the date of imposition of the said punishment / court verdict (such period to be calculated upto and as on the 1st day of April pertaining to the year of promotion). However, in cases where the punishment of warning has been imposed, the Managing Director may review and take a decision with regard to the eligibility to appear for promotion of the concerned officer having regard to the gravity of misconduct and the service record.
  - d) Officers with the remaining service of less than one year as on the last date for submission of consent / willingness OR 31st of October of the relevant financial year whichever is earlier.



- viii) Officers who fail to submit their Self-Appraisal Report in the prescribed format to their reporting officer before the stipulated date will not be eligible to appear for promotion during that respective financial year.
- ix) Officers who fail to submit their Property Statement pertaining to the year as required by the Karnataka Bank Officers' Service Rules, will not be eligible to appear for promotion during that respective financial year.
- x) If any officer who is otherwise eligible, fails to submit willingness in writing to appear for promotion without genuine acceptable reasons on three consecutive occasions, he/she will not be eligible to appear for promotion interview for a period of immediately following three financial years. However, this clause is not applicable in the case of officers in Scale I who are eligible to participate in the promotion process under the Fast Track channel and fails to submit willingness to appear for written test.
- xi) In case an officer being otherwise eligible submits in writing that he / she does not wish to participate for the promotion or fails to attend the interview after submission of willingness without genuine / acceptable reason on three consecutive occasions the said officer will not be eligible to appear for promotion interview for a period of immediately following three financial years.
- xii) If an officer appears for the interview and is selected for promotion by refuses to accept the promotion without furnishing sufficient and convincing reasons, he / she shall be debarred from further promotions for a period of three years from the date of such refusal (such period to be calculated upto and as on 1st of April of the year of promotion).
- xiii) The Head of the HR & IR Department will be the Competent Authority to decide the genuineness of the claim of the candidates mentioned at para-13(x), (xi) and (xii) above.
- xiv) Fitment of salary on promotion from one scale to another will be as per the guidelines received from the Indian Banks' Association from time to time.
- xv) Promotion shall be made prospectively. All the promotions shall be effective from the date permitted by the HR & IR Department / Competent Authority.
- xvi) It is agreed that if any doubts, difficulties or disputes arise regarding the interpretation of any provision of this MoU or any other matter arising out of it or connected therewith, it shall be taken up for resolution at the level of the Management and the Karnataka Bank Officers' Organisation.
- xvii) All the terms and conditions mentioned in this MoU will be in operation from 01-04-2012. However, the MoU can be reviewed by either side, giving one month's notice in writing.

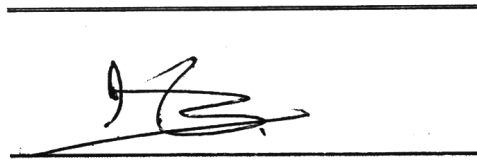
### 13. Appeals

Any officer aggrieved by non-promotion and who is desirous of preferring an appeal may do so to the Board of Directors within 30 days from the date of announcement of the results. The Board, after examining the appeal will convey the decision to the officer concerned and the decision of the Board in such cases will be final.

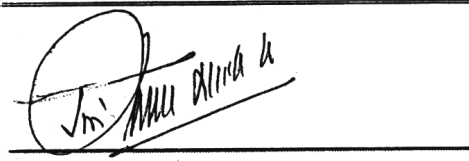
**IN WITNESS WHEREOF**, this MoU is signed on 26<sup>th</sup> December 2012 at Head Office, Mangalore, in the presence of attesting witnesses:

**Representing the Management**

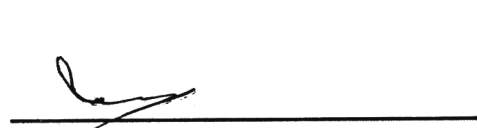
**Representing the K.B.O.O.**



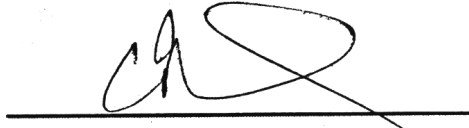
(1) P. Jayarama Bhat



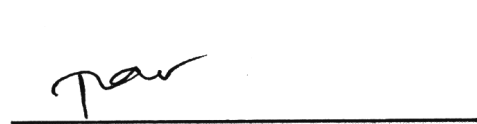
(1) B. Jayarama Naik



(2) S. Ramachandra Bhat



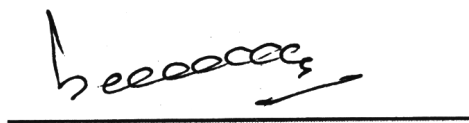
(2) K. Raghava



(3) Raja B.S

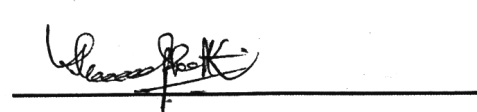


(3) K.S. Sreedhara Jois



(5) M. Shashikantha Rao

**WITNESSES**



(1) Shama Bhat K.



(2) Shashikanth Raayasa