



Circular Letter No. 6/2019

READ AND CIRCULATE

Kodialbail, Mangalore-3

14.08.2019

Dear members,

DELAY IN OPENING NEW CASA ACCOUNTS - OUR CONCERN THERE OFF

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With earnest desire of negating the problem of delay in opening new CASA accounts. We took up the issue with the Management seeking redressal of the same as otherwise the growth of CASA deposits in the bank will be hampered which is not a healthy feature.

The Management in reply to our letter dt.11-07-2019 informed us that, they have taken steps to solve the hurdles which are causing delay in opening new CASA accounts. They also pointed out, where exactly the deficiencies are with regard to the subject matter.

On our part, having received more than 700 Emails from the branches all over pointing the obstacles they are facing with M/s MBS as well as in the CAVC department regarding the opening of new CASA accounts, A sub committee was set up at our end to study the matter in depth. After going through all the said E mails carefully we have now addressed a letter bearing No. 129/2019 dt. 13.08.2019 to the Chief Business Officer of the Bank which is reproduced hereunder for your information and guidance:

The Chief Business Officer,
Karnataka Bank Ltd.,
Head Office, Mangaluru-575 002.

Dear Sir,

Re : Opening of CASA accounts – Work entrusted to M/s. Manipal Business Solutions Pvt. Ltd., (MBS) – for data entry.

Ref : 1. Our letter No.119/2019 dt.11.07.2019 addressed to the Managing Director of the Bank.

2. Your letter bearing No.HO:BBDC:OR:1076:2019-20 dt. 05.08.2019

We had the occasion to address the letter as referred in Ref.(1) pointing out the undue delay that is now being experienced at the branch level with regard to the opening of new

CASA accounts all-through. In fact, we would not have ventured in this exercise but for the fact that the Managing Committee Members of both of our Associations pointed out the multi-fold difficulty and delay that is being encountered by the Branch Officials and the staff consequent to the delay in getting authorization from CAVC Department regarding opening of new accounts by providing customer ID.

On further going deep into the subject matter, it is also pointed out by several of our members working in various branches that M/s MBS to whom the data entry work was entrusted are not efficient enough in fulfilling their responsibility and hence they not only take much more time for scrutiny to forward the authenticated document to CAVC but also are indulging in returning the scanned document back to the original branch with one or other deficiencies of non-compliance of the required information.

This has compelled us to seek for the actual position from the branches with regard to the facts of the issue hence a detailed circular was issued by us jointly on 12.07.2019 calling for specific hurdles / obstacles they are facing at the branch level regarding opening of CASA accounts.

In response we have received around 700 e-mails from various branches of almost all the regions, irrespective of the fact, whether they are operating in Metro / Urban /Rural areas, pointing out the undue delay that is taking place consequent to the non-responsive attitude at the level of M/s MBS and CAVC Dept. We have taken pains to scrutinize the same at our end through a Sub-Committee study. The main grievance that is being focused almost by all is the rigid attitude/approach of M/s MBS, thereby rejecting the application sent in manifolds which will be once again dumped in the branch and attended to thereafter which will definitely take more time for CAVC to go ahead to give green signal and communicate customer ID authorizing the concerned branches to open the new CASA account which they have sent.

Therefore, keeping the Bank's interest at large as the CASA growth is also not picking up as per the latest statistics, we have attempted in taking the issue for redressal by requesting the Management to view the points seriously. We do not complain for complaint sake. In fact, this is not our domain at all. It is exclusive responsibility of the Management to solve this problems now that has cropped up after entrusting the data entry responsibility to M/s.MBS as well as an exclusive Centre to open new CASA a/c by setting up CAVC Dept., at the level of the Head Office.

In the meantime, we have received your letter bearing No.HO/BBDC/OR/1076/2019-20 dt.5.08.2019 expressing your observation with regard to the subject matter and

contentions thereof. We have gone through the same twice and read it between the lines. We have also noted that you also concurred with the main objection we have raised regarding the undue delay and hence went on to say to us that –

“CAVC has identified certain gaps in the systems of MBS and corrective measures have been initiated which will help in further improving the account opening process. We are regularly having the monthly review meet with MBS and CAVC for early resolution of the operational issues observed therein.

One of the technically qualified executives from Head Office is visiting CAVC on daily basis for understanding the issues and its early resolutions. We expect that the system will stabilize at an early date.”

A cursory reading of the above writing makes us to understand that an attempt is now being made by the Management to set right the anomalies which are coming in way to process the new accounts to be opened quickly. This is exactly what we needed on the part of the Management so that the growth of the CASA deposits can get its own momentum once the Management succeed in getting the new CASA accounts opened same day or even earlier to that as it was being done prior to the above arrangement was entered into by the Bank.

Under the circumstances, we prevail upon the Management to go ahead and to explore all ways and means to overcome the blockades that is being now encountered at the branch level by the Manager and staff members with regard to the delay in opening CASA accounts so that there cannot be any hindrance in the Bank for growth in the CASA business as it plays a dominant part in improving the profit as well overall business of the Bank.

Hope you will appreciate our steps taken in this regard in the larger interest of the Bank and the issue in its holistic approach. We assure all our co-operation in case that is required in the matter at any point of time.

Yours faithfully,

Sd/-
(P.R.Karanth)
GENERAL SECRETARY
A.I.K.B.E.A.

Sd/-
(K.Raghava)
GENERAL SECRETARY
K.B.O.O.

Copy to: The Managing Director, Karnataka Bank Ltd., HO, Mangaluru
- For his kind information.

Comrades, we will continue our efforts with regard to the subject matter so that the new CASA accounts can be opened instantly as being done before switching over to the present centralized system. In the mean time, **we are also advising all our members concerned to discharge their responsibility diligently with regard to the filling up all required documents for opening new CASA accounts so that the hurdle can be wiped out at all levels sooner rather than later. This is our endeavor.**

With greetings,

Yours comradely,

Sd/-

(P.R.Karanth)

General Secretary, AIKBEA

Sd/-

(K.Raghava)

General Secretary, KBOO

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| AII INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION | ... | ... | ... | ZINDABAD |
| KARNATAKA BANK OFFICERS' ORGANISATION | ... | ... | ... | ZINDABAD |