



Circular Letter No. 06/2020

READ AND CIRCULATE

Kodialbail, Mangalore-3

13.11.2020

Dear Members,

**EX-GRATIA FOR THE YEAR 2019-2020 – MANAGEMENT'S OFFER IS
TOO INADEQUATE - TALKS WERE INCONCLUSIVE**

Members are aware that we have jointly placed our claim for Ex-gratia for the year ending 31-03-2020 with the Management on 09-06-2020 as an incentive to further motivate and enthuse our members. In response to that Management invited us for a joint meeting on 06-11-2020 at 5 p.m. at Head Office.

Initiating the discussion the Managing Director took sufficient time to prevail upon us to forego our claim for Ex-gratia this year in view of the special circumstances on account of the Covid-19 situation. We disagreed with his suggestion and placed that the Bank has earned a very satisfactory net profit of Rs.432 Crores for the year ending 31-03-2020. Moreover, the operating profit of the Bank for the year was at Rs.1656.77 Crores registering a growth of 14.27%, reflecting the collective hard work and dedication of the entire work force of the Karnataka Bank family.

In response, the Managing Director made an initial offer of 10% of the previous year's Ex-gratia amount as a token amount of Ex-gratia for the current year in view of the special circumstances. The amount comes to Rs. 3,666/-, Rs.2,884/- and Rs.2,575/- to the Officers, Clerks and Sub-staff members respectively. This offer was not agreeable to us and we persisted with our arguments regarding the sound financials achieved by the Bank for the year ending 31-03-2020 followed by a record net profit earned of more than Rs.316 Crores as at 30-09-2020. We also informed about the high expectations of our members for a very good amount of Ex-gratia this year in view of their total dedication and tireless work disregarding their personal safety and also the health of their family members due to Covid-19 Pandemic situation. Hence, we requested the Managing Director to offer a respectable sum as Ex-gratia to our members consistent with the sound financials/ performance achieved by the Bank and also in terms of the tradition/practice prevailing in the Bank for decades.

Responding to this, the Managing Director offered 25% of the previous year's Ex-gratia amount as amount of Ex-gratia for the current year and further improved it to 35%. This offer was too inadequate and not agreeable to us. Hence, the talks were inconclusive.

P.T.O.

In this connection, we addressed a letter to the Managing Director on 12-11-2020 requesting him to enhance the offer of Ex-gratia substantially to a respectable amount consistent with the achievement of sound financials/performance of the Bank and also in terms of the tradition/practice prevailing in the Bank for nearly three decades and to invite us for a joint discussion in the matter for an amicable understanding in the matter. The excerpt of our letter No. 215/2020 dated 12-11-2020 is reproduced herewith for the information of our members.

Dear Sir,

Sub: Our Claim for Ex-gratia for the year ending 31-03-2020 as per Joint letter dated 09-06-2020.

Ref: Management's letter No. HO/HR&IR/AIKBEA/KBOO/2068/2020-21 dated 03-11-2020

We refer to the discussion which took place on the 6th November, 2020 at HO, between the Management and the two Associations regarding the above matter.

1. In this regard, we record our deep disappointment about the offer made by the Management in respect of the amount of Ex-gratia which is too inadequate. Hence, we were unable to accept the same.
2. Our members are very much disappointed about the outcome of the talks and especially about the Ex-gratia offer made for the year ending 31-03-2020.
3. They were expecting a very liberal amount of Ex-gratia this year, particularly when all of them have been working tirelessly for the Bank regardless of their personal safety besides health risk to their family due to Corona Pandemic.
4. Under the circumstances, we request you to reconsider the amount of Ex-gratia offer and enhance it to a respectable sum as per the practice and tradition prevailing for nearly three decades in the Bank and also in consonance with the sound financials/performance of the Bank.
5. In view of the above, we request your goodselves to invite us for a discussion in the matter at the earliest so that a respectable amount of Ex-gratia is settled by mutual discussion.

Yours faithfully,

Sd/-

General Secretary, AIKBEA

Sd/-

General Secretary, KBOO

The developments in this regard will be informed to the members.

With warm greetings,

Yours comradely,


(P.R.Karanth)

General Secretary, AIKBEA



(Suresha Hegde S.)

General Secretary, KBOO