

ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION (REGD.)



(Affiliated to A.I.B.E.A.)

AND

KARNATAKA BANK OFFICERS' ORGANISATION (REGD.)

(Affiliated to A.I.B.O.A.)



Circular No. 04/2026

READ AND CIRCULATE

Dated: 03-10-2026

Dear Members,

- ❖ **CLARION CALL BY OUR MANAGING COMMITTEES FOR UNITED ACTION – ONE DAY STRIKE ON 18-11-2026**
- ❖ **LET US STAND FIRM TO DEFEND OUR PROMOTION POLICIES AND REGULAR EMPLOYMENT**
- ❖ **COMRADES, MARCH ON TO PROTECT OUR HARD-WON RIGHTS AND REALISE OUR LEGITIMATE DEMANDS**
- ❖ **UPHOLD BILATERALISM AND COLLECTIVE BARGAINING**

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As communicated earlier, on 31-12-2025, the Management has surprisingly issued notices of termination of **Memorandum of Settlement (MOS) and Memorandum of Understanding (MOU) pertaining to 4 mutually agreed promotion policies**. It should be noted that these time-tested Promotion Policies, evolved through bilateral discussions and mutual agreement between the Management and the Unions, has been in force in our Bank for **more than four decades**. In spite of this **unwarranted provocation** from the Management, **we made sincere efforts to convince the Management to restore the existing Promotion Policies through bilateral discussions**. **On the contrary, the Management declared promotion vacancies with new set of guidelines with alterations, additions and deletions of existing guidelines unilaterally on 23-09-2026 through their circulars.**

It is even more **disheartening to note that the Management is planning to recruit staff under a CTC scheme/model, which is more danger for regular employment**. This move will create two different employment structures within the Bank, leading to disparity and adversely affecting the harmonious working environment. **The CTC employment in core banking operations raises serious concerns regarding Customer Services, Confidentiality, Data Security, Employee commitment, Job security, nurturing future leaderships, long-term Organisational stability.** Therefore, this move is detrimental for the long-term interest of the Bank and its workforce.

In spite of the sincere and dedicated efforts of the workforce and their contribution to the growth and development of our beloved Bank, and despite the earnest efforts of both the Unions to resolve the issues through bilateralism, the response from the Management has been unilateralism in matters relating to promotion policies and manpower.

Therefore, both the Unions convened the emergency Managing Committee meetings on 30-09-2026 virtually and thoroughly discussed and deliberated the issues. Finally, both

the Committees unanimously resolved to go on agitational path including strike action. Accordingly, today, we have served a **Strike Notice to the Management of the Bank** with our demands and of our agitational programmes.

We furnish below the text of our Joint Strike Notice dated 03-10-2026 and urge all our members to implement the action programmes with unity, commitment and conviction to protect our hard-won rights and realise our legitimate demands:

**FORM – XI under
Rule 25 of Industrial Relations (Central) Rules, 2026
NOTICE OF STRIKE**

Dated 03rd October 2026.

Name of the Unions:

1. **ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION (AIKBEA)**
Represented by Shri. Paneendra K G, General Secretary
2. **KARNATAKA BANK OFFICERS' ORGANISATION (KBOO)**
Represented by Shri. Suresha Hegde S, General Secretary

The Managing Director & CEO, Karnataka Bank Ltd. Head Office, Mahaveera Circle, Kankanady, Mangaluru – 575002 Karnataka State	Chief Labour Commissioner (C), Ministry of Labour, Office of the CLC, Shrameva Jayate Bhavan Dwarka, New Delhi-110075
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Dear Sir,

In accordance with the provisions contained in sub-section (1) of Section 62 of the Industrial Relations Code, 2020, we hereby give you notice that the members belonging to AIKBEA and KBOO, recognised Unions of Karnataka Bank Ltd., propose to go on 1 day STRIKE on 18-11-2026 (Wednesday).

DEMANDS:

1. **Withdrawal of notice of termination of Promotion Policy MOU /MOS and restoration of existing Promotion Policies**
2. **Opposition to proposed CTC recruitment in all cadres**
3. **Early settlement of staff welfare measures and staff credit facilities demanded**
4. **Need for negotiated Transfer Policy for Officers and Award staff**
5. **Absorption of eligible daily wagers into regular Office Assistant /PTHK positions on scale wages**
6. **Treat “Compulsory Leave” as “Special Leave”**
7. **Extend Payment of Ex-gratia to Pensioners/Family Pensioners and Provide Pension Option to Eligible Resigned Employees in Terms of the 12th Bipartite Settlement / 9th Joint Note**

8. Immediate settlement of pending overtime claims
9. Payment of gratuity to Honey Deposit canvassers
10. Pay fixation and protection for ex-servicemen re-employed as armed guards

The details of the programs are given hereunder:

AGITATIONAL PROGRAMME

Date	Programmes
03-10-2026	Serving strike notice
03-10-2026 to 18-11-2026	• Working strictly as per rules and procedures and withdrawal of all extra co-operation. • Staff using their personal mobile shall exit from all official WhatsApp groups • Staff using Office mobile shall not attend office calls from the Authorities from 6.00 P.M. to 9.00 A.M.
03-10-2026 to 18-11-2026	• Campaign Meetings in various centres
03-10-2026 to 18-11-2026	• Demonstrations in various centres
05-10-2026	• Signature Campaign
06-11-2026	• Poster Campaign
12-11-2026	• Black Badge wearing
16-11-2026	• Press meet at Mangaluru
18-11-2026	• ALL INDIA STRIKE

The details of the issues and Statement of the case are annexed herein.

Sd/-
Paneendra K G
GENERAL SECRETARY, AIKBEA

Sd/-
Suresha Hegde S
GENERAL SECRETARY, KBOO

Encl: Statement of the Case

ANNEXURE

STATEMENT OF THE CASE

1. WITHDRAWAL OF NOTICE OF TERMINATION OF PROMOTION POLICIES MOU/MOS AND RESTORATION OF THE EXISTING PROMOTION POLICIES

AIKBEA:

The existing 3 Promotion Policy MOS governing the promotional avenues of employees has been arrived at through bilateral settlements under the provisions of the Industrial Disputes Act, 1947, between the Management and the Karnataka Bank Employees Association (now AIKBEA) on 08.10.2009, 10.02.2012 and 19.08.2015. These settlements regulate, inter alia, the promotion of Sub-Staff to the Clerical Cadre, promotion of SCSA/CSA to the Scale - I Officer Cadre, and the entrustment of Special Assistant duties to Clerks respectively. They constitute mutually agreed service conditions governing the employees concerned.

On 31.12.2025, the Management issued notices terminating the above settlements. However, subsequently, vide its letter dated 16.01.2026, the Management assured AIKBEA that the existing promotion process would continue until a new understanding is reached between the Management and the Association. This assurance clearly envisaged that any change to the existing promotion arrangements would be preceded by discussions and would be subject to a mutually agreed understanding with the Union.

Contrary to the aforesaid assurance, and without arriving at any fresh understanding with AIKBEA, the Management has now, vide Circular HO/HR&IR/GF (38)/34/2026-27 dated 23.09.2026, introduced substantially altered terms and conditions governing promotion from the SCSA/CSA Cadre to the Scale-I Officer Cadre. The unilateral implementation of such changes, while the existing settlement has not been mutually replaced through a negotiated arrangement, is strongly opposed by the Union.

KBOO:

KBOO entered into the first Memorandum of Understanding (MOU) on the Promotion Policy for Officers on 30-01-1986. Thereafter, the MOU was revised and improved on 30-10-1990, 12-01-1995, 14-11-2009, and finally on 26-12-2012, besides amendments/additions made on 07-07-2004 and the introduction of need-based lateral recruitment of officers in specialised categories through bilateral discussions held on various occasions.

The Organisation has always understood and responded to the evolving needs of the Institution while simultaneously safeguarding the legitimate career aspirations of officers. KBOO has consistently adopted a constructive and cooperative approach and has worked in close coordination with successive leaderships of the Bank in strengthening the Institution and promoting healthy industrial relations.

However, on 31-12-2025, the Management unilaterally issued a 30-day notice purporting to terminate the Promotion Policy MOU dated 26-12-2012. It is pertinent to note that the said MOU does not contain any provision enabling its unilateral termination. On the contrary, Clause XVII of the MOU specifically provides that "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."

The above provision contemplates only a review of the MOU through due notice and not its unilateral termination. Therefore, the action of the Management in issuing a notice of termination is arbitrary, unjustified, and contrary to the letter and spirit of the mutually negotiated settlement.

Further, during bilateral discussions held on the issue, the Management had categorically assured the Organisation that "In the interest of maintaining industrial harmony and ensuring smooth operations, the Bank, at its discretion, will continue to follow the existing process relating to the promotion exercise as a goodwill gesture until a new understanding is reached between the Bank and KBOO as early as possible."

However, contrary to its own assurance, the Management subsequently backtracked from its stated position and, on 21-09-2026, unilaterally declared promotion vacancies under a revised promotion mechanism and issued a new set of guidelines without reaching the understanding with the recognised representative Organisation.

Both the AIKBEA and KBOO firmly maintains that promotional avenues and other service conditions governed by bilateral settlements cannot be altered unilaterally at the discretion of the Management. Any modification, revision or replacement of an existing settlement must necessarily be preceded by meaningful bilateral negotiations, taking into account the legitimate expectations, accrued rights and career aspirations of the employees /officers covered by the existing policy.

The proposed termination and unilateral alterations have also created serious uncertainty regarding eligibility criteria, promotional opportunities, selection procedures, seniority, career progression and the future promotional prospects of the employees /officers concerned. The existing system has governed promotions for several years, and employees /officers have planned their careers and professional development on the basis of these established provisions. Any abrupt departure from the settled framework, without consensus

and adequate safeguards, adversely affects the confidence of employees and undermines the principles of fair and transparent career advancement.

In the circumstances, the immediate withdrawal of the notice of termination of the Promotion Policies MOS/MOU and restoration of the existing Promotion Policies MOS/MOU in its entirety is necessary to build the mutual trust and confidence of the employees/ officers until entering into the new understanding through bilateral discussion.

2. OPPOSITION TO PROPOSED CTC RECRUITMENT IN ALL CADRES

The Bank has been a member of the Indian Banks' Association (IBA) and has been regularly participating in the Bipartite Settlement process for Award Staff and the Joint Note for Officers for more than five decades. During this period, the Bank has consistently recruited employees and officers on a regular employment basis, with their service conditions governed by the IBA wage scales applicable to the respective cadres.

However, during the bilateral discussions with the Unions, the Management conveyed that it is proposing to introduce recruitment in the Award Staff and Officer cadres under a Cost-to-Company (CTC) model, purportedly in the name of reforms, cost optimisation, and workforce performance.

We have categorically stated that the proposed CTC model is neither in the long-term interest of the Bank nor in the interest of its workforce. There are several serious risks and concerns associated with the proposed CTC-based recruitment model.

In our considered view, the introduction of a parallel employment structure would create disparities within the workforce, adversely affect employee morale, disturb harmonious industrial relations, and undermine the sense of fairness and uniformity in service conditions. Such a move may also have adverse implications for employee commitment, customer service, business growth, and the overall development and stability of the Bank.

The proposed CTC recruitment model would fundamentally alter the established system of regular recruitment and employment that has prevailed in the Bank for more than five decades. It could result in employees performing comparable or similar duties being placed under different employment structures and service conditions, thereby creating avoidable disparities and industrial-relations issues.

The Unions have, therefore, unequivocally opposed the Management's proposal to introduce CTC-based recruitment in the Award Staff and Officer cadres and have urged the Management to continue with the existing system of regular recruitment under the established IBA framework.

3. EARLY SETTLEMENT OF STAFF WELFARE MEASURES AND STAFF CREDIT FACILITIES DEMANDED

Most of the existing Staff Welfare Measures and Staff Credit Facilities were introduced or last revised several years ago. In view of the steep rise in the cost of living, persistent inflation, substantial escalation in market prices, and the changing economic environment, the existing limits, entitlements, and provisions have become inadequate and are no longer commensurate with the present-day needs and requirements of Employees and Officers. We are of the considered view that the existing welfare measures and staff credit facilities warrant a comprehensive review and appropriate enhancement.

Accordingly, both Unions submitted our detailed demands for revision and enhancement of the existing Staff Welfare Measures and Staff Credit Facilities to the Management on 30.07.2026, the details of which are furnished herewith:

Staff Welfare Measures

1. Reimbursement of Business Development Expenses (BDE).
2. Reimbursement of Lodging Expenses while on Official Duty.
3. Revision of Rent Reimbursement Limits for Leased Residential Accommodation.

4. Reimbursement of Conveyance Expenses.
5. Reimbursement of Canteen Expenses.
6. Reimbursement of Newspaper Expenses.
7. Reimbursement of Annual Medical Check-up Expenses.
8. Annual Home Town Travel (HTT) for Officers posted to Branches/Offices in North India.
9. Option to avail Leave Fare Concession (LFC) under either Scheme 'A' or Scheme 'B'.

Staff Credit Facilities

1. Enhancement of Clean Loan Facility.
2. Enhancement of Gold Loan Facility.
3. Enhancement of Computer Loan Facility.

It is a matter of serious concern that, despite the lapse of more than two months since the submission of our demands on 30.07.2026, the Management has not yet initiated bilateral discussions with us on these important and long-pending issues. The continued delay in taking up these demands has only prolonged the difficulties faced by Employees and Officers and deferred the legitimate improvements sought by them.

4. NEED FOR NEGOTIATED TRANSFER POLICY FOR OFFICERS AND AWARD STAFF

A well-defined Transfer Policy, incorporating clear, uniform and objective criteria and ensuring transparency and consistency in its implementation, is essential to safeguard the legitimate interests of officers and employees, maintain their morale, and instil confidence in the transfer process. At present there is no comprehensive Transfer Policy in the Bank for officers and employees that has been bilaterally discussed and mutually agreed upon between the Management and the recognised representative Unions. In the absence of such a policy, instances of arbitrary transfers, favouritism, and mid-academic-year transfers, including transfers purportedly made on grounds of non-performance, have been observed.

It must be appreciated that a transfer does not affect only the officer / employee concerned. It has far-reaching consequences on the officer / employee's family, including school-going children, aged parents, parents-in-law and other dependents. Frequent or arbitrary transfers can cause considerable personal, social and financial hardship to the affected officers / employees and their families.

We strongly believe that arbitrary transfers, transfers influenced by favouritism, and mid-academic-year transfers effected in a whimsical or non-transparent manner are detrimental to officers'/employees' welfare and organisational harmony. Such actions are neither fair nor equitable and are bound to create dissatisfaction among officers/employees.

Under these circumstances, it is our firm and considered view that the issue can be effectively and satisfactorily resolved only through the formulation and implementation of a mutually discussed and agreed Transfer Policy for the Bank. Such a policy would ensure consistency, fairness and transparency in transfers across the Bank and go a long way in promoting officers' and employees' confidence, organisational stability and healthy industrial relations.

5. ABSORPTION OF ELIGIBLE DAILY WAGERS INTO REGULAR OFFICE ASSISTANT / PTHK POSITIONS ON SCALE WAGES

A large number of daily-wage personnel engaged as Office Assistants and Part-Time House Keepers (PTHKs) have been performing regular and perennial duties for several years. Many of them have rendered between 5 and 13 years of continuous service, with a legitimate expectation of being considered for regular employment in the Bank as per existing convention. Their services have been utilised against ongoing and permanent requirements, thereby demonstrating the continuous need for these positions.

At the same time, substantial vacancies exist in these categories on account of retirements, promotions and the expansion of the Bank's operations. It is pertinent to note that the Bank has not undertaken recruitment in the Office Assistant and PTHK cadres for the last ten years, resulting in a widening gap between the actual manpower requirement and the sanctioned strength. Instead of filling these vacancies through

regular recruitment and absorption, the Bank has proposed to outsource these functions through contractual arrangements, including through Karnataka Bank Services Limited (KSL), a subsidiary of the Bank.

The Unions strongly contends that work of a regular and perennial nature should be performed by regular employees on scale wages and service conditions applicable to Bank employees. The continued engagement of daily-wage personnel for long periods, coupled with the proposal to outsource such work is having serious risks and concerns in operation level, also deprives deserving workers of regular employment opportunities and adversely affects job security, service conditions and long-term career prospects.

Further, during the Conciliation Meeting held on 24.11.2023 before the Central Labour Commissioner (Central), Government of India, it was agreed by the Banks Management to maintain status quo, namely that there would be no further outsourcing of any activity by the Banks and that the issue would be resolved at the IBA level.

6. TREAT “COMPULSORY LEAVE” AS “SPECIAL LEAVE”

The Bank already has in place a policy of “Mandatory Leave” for a period of 10 days, granted as “Special Leave”, in terms of the guidelines issued by the RBI / IBA for officers / employees posted in sensitive positions or identified operational areas. This measure was introduced as a risk management tool to strengthen internal controls and mitigate operational risks.

Subsequently, the Management has unilaterally implemented another policy termed “Compulsory Leave” as an operational risk mitigation measure aimed at the prevention and detection of frauds. Under this policy, employees /officers having Finacle write-access rights and who have not availed leave for a minimum period of five consecutive days during a financial year are required to proceed on compulsory leave. However, for this purpose, the Management is debiting the Privilege Leave (PL) entitlement of the concerned employees/Officers.

The very purpose of Privilege Leave, as provided under the Bipartite Settlement and Joint Note, is to enable employees/officers to avail leave for their personal needs and requirements including encashment. Such leave was never conceived, negotiated or settled as a risk mitigation measure for the Bank. Therefore, the Unions are concerned about the treatment of such compulsory leave and its implications for employees’/ officers’ available leave balances and leave entitlements. Where an employee /officer is directed by the Bank to remain away from duty under a compulsory-leave arrangement, such absence is not necessarily a voluntary decision on the part of the concerned employee/officer. Consequently, debiting of such compulsory leave against the employee’s/officer’s earned leave or other accrued leave entitlements may result in an unfair depletion of the employees/officers leave balance. The employees / officers should not be placed in a position where leave earned and accumulated through their active service is exhausted merely because the Management has required them to remain away from duty under a compulsory-leave arrangement. Hence, the Unions have consistently urged the Management to treat such compulsory leave as Special Leave, without any debit to the leave entitlement of the concerned employees/officers. Therefore, such compulsory Leave should be treated as Special Leave and not to be debited to the employees leave account.

7. EXTEND PAYMENT OF EX-GRATIA TO PENSIONERS/FAMILY PENSIONERS AND PROVIDE PENSION OPTION TO ELIGIBLE RESIGNED EMPLOYEES IN TERMS OF THE 12TH BIPARTITE SETTLEMENT / 9TH JOINT NOTE

The payment of monthly ex-gratia to Pensioners and Family Pensioners was extended to retirees of Public Sector Banks, including the State Bank of India, under the 12th Bipartite Settlement for Award Staff and the 9th Joint Note for Officers. Subsequently, in the bipartite discussions held between the Indian Banks’ Association (IBA) and the United Forum of Bank Unions (UFBU) on 26-08-2024, it was agreed to extend the benefit of ex-gratia to Pensioners and Family Pensioners of Private Sector Banks and Foreign Banks that are parties to the Bipartite Settlement/Joint Note and are covered under the Pension Scheme. In pursuance of the said understanding, the IBA advised the concerned banks to implement the scheme through its communication No. CIR/HR&IR/G2/2023-24/1398 dated 03-09-2024.

Further, the IBA also agreed to provide a fresh option to join the Pension Scheme to eligible employees who had resigned from service, subject to their otherwise fulfilling the eligibility conditions of the Pension Scheme. This benefit was extended to employees of Private Sector Banks and Foreign Banks that are parties to the Bipartite Settlement/Joint Note dated 08-03-2024, as communicated by the IBA vide its letter No. CIR/HR&IR/G2/2023-24/1397 dated 03-09-2024.

Our Bank is a party to the Pension Scheme, and accordingly the Karnataka Bank Ltd. Employees' Pension Regulations, 1993 have been in force in the Bank with effect from 01-11-1993 and the Bank has also implemented subsequent pensionary improvements in letter and spirit. Now, non-implementation of above two benefits derived out of 12th Bipartite Settlement/9th Joint Note in our Bank has caused disappointment and hardship to all the Pensioners, Family Pensioners and eligible resigned employees. Early implementation of these long-awaited welfare measures will provide substantial relief to the beneficiaries.

8. IMMEDIATE SETTLEMENT OF PENDING OVERTIME CLAIMS

During the CBS-related technical disruption in January 2026, Award Staff were required to work substantially beyond their normal working hours, in several cases up to 10.00 p.m., to complete essential allotted work. Despite submission of legitimate overtime claims by the concerned award staff members and repeated follow-up by AIKBEA, the claims continue to remain pending.

9. PAYMENT OF GRATUITY TO HONEY DEPOSIT CANVASSERS

The gratuity dues of eligible Honey Deposit Canvassers have remained unsettled since 2015 even though they are eligible for gratuity under the provision of Payment of Gratuity Act 1972. Hon'ble Supreme Court of India had recognised their status as workmen and also said that they are entitled for Gratuity. These personnel have rendered long years of service and contributed substantially to the Bank's business. The Bank should not leave eligible canvassers and their families uncertain about the payment of their legitimate terminal benefits after the completion of their service.

10. PAY FIXATION AND PROTECTION FOR EX-SERVICEMEN RE-EMPLOYED AS ARMED GUARDS

The pay of Ex-Servicemen re-employed as Armed Guards has not been properly protected in accordance with the applicable Government/DFS guidelines. The ad hoc payment of Rs. 5,000/- per month introduced earlier, following the intervention of the Association, cannot be treated as a substitute for proper pay fixation and protection. The benefit should be extended appropriately to the concerned employees by suitably refixing their pay and granting the consequential financial benefits.

Sd/-
Paneendra K G
GENERAL SECRETARY, AIKBEA

Sd/-
Suresha Hegde S
GENERAL SECRETARY, KBOO

COMRADES, NOW IT IS TIME TO ACTION - MARCH ON TO STRIKE ON 18-11-2026
UNITY IS OUR STRENGTH – COLLECTIVE STRUGGLE IS OUR PATH

100% UNITY

100% COMMITMENT

100% PARTICIPATION

With fighting greetings,

Yours comradely,


(Paneendra K G)
GENERAL SECRETARY, AIKBEA


(Suresha Hegde S)
GENERAL SECRETARY, KBOO