



Circular Letter No. 24/2016

READ AND CIRCULATE

Kodialbail, Mangalore-3
25.06.2016

Dear Members,

MANAGEMENT CONCEDES OUR DEMAND OF EX-GRATIA - CONGRATULATIONS

Members are aware that both KBEA and KBOO served the demand letter to the Management asking them to call us for a Joint Meeting with regard to the quantum of Ex-gratia to be disbursed to the workforce in the Bank.

In response to our demand the Management convened a Joint Meeting on Friday, 24th June 2016 at the Head Office. As usual the leaders of both the Associations and the Management team lead by the Managing Director were present. Initiating the discussion, we highlighted the sincere attempt put in by our members at all levels which has enabled the Bank to earn highest operating profit as well as to reach a record of 26.26% with regard to CASA deposits. We also opined that as the Bank could earn substantial net profit this year too with all provisions and set offs made consequent to the direction of the regulator, it is quite natural, we the employees working in the Bank look forward for a befitting Ex-gratia amount.

The Managing Director while acknowledging the good work done by the employees of the Bank in general also expressed that he is not happy as the growth of the Bank for the year ending March 2016 was not upto the mark as expected by them and the percentage of growth either in deposit or advances or for that matter in the increase of total turnover has come down to single digit as against which was always around 12% to 18%. He also stated that the number of branches with negative growth was alarming last year and this is not a favourable trend for the growth of the institution. Taking these factors into consideration and also the percentage of load that the Bank could bear with regard to the total amount of outflow as Ex-gratia, **he opined that the Ex-gratia should be reduced this year by 13% compared to that of the quantum disbursed last year.** He further stated that as this may not sound well to us, he is willing to disburse Ex-gratia by **reducing the quantum of Ex-gratia by 8%** compared to the quantum of Ex-gratia disbursed last year i.e., **Rs.23,000/-, Rs.25,760/- and Rs.32,750/- for sub-staff, clerical and officers** respectively.

Refusing to agree for this offer of the Management, we insisted them to reconsider their above offer. Ultimately, the Managing Director spelt out that viewing positively all our arguments and submissions, the Management will agree to disburse Ex-gratia amount

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by **reducing the quantum of Ex-gratia by 4%** compared to that of the quantum paid as Ex-gratia last year i.e., **Rs.24,000/-, Rs.26,880/-, Rs.34,175/- for sub-staff, clerk and officers** respectively.

At this juncture, though it is a workable via-media, taking into consideration the understanding arrived in the past whenever the net profit earned by the Bank in that respective year has been reduced, we suggested that the Ex-gratia for the year ending March 2016 may please be considered by revising the offer of quantum to Rs.24,250/-, Rs.27,150/- and Rs.34,500/- to sub-staff, clerical and officers respectively which works out around 3% reduction in the quantum, if compared to that of previous year.

We are happy to inform that this strategic move and approach of ours convinced the Managing Director to agree for our proposal. Hence, the Management informed that they will consider payment of Ex-gratia for the year 2015-16 as proposed by us which is as under :-

Sub-staff	Clerical	Officers
Rs.24,250/-	Rs.27,150/-	Rs.34,500/-

It is further decided that the Ex-gratia amount as stated herein **will be disbursed by the Management on or before 15th July 2016** which kindly note.

Comrades, it is heartening to note that the Management was gracious and not rigid in their approach all through the negotiations. Further, the total **load of Ex-gratia payable including that of executives will cost the Bank around Rs.25.00 crore** which is much more than the last year's load of around Rs.22.00 crore. **We go on record to appreciate and applaud this positive gesture of the Management lead by the Managing Director.** We on our part should take up the responsibility of striving hard to the growth of our beloved institution by working with single minded devotion with all sincerity and integrity. **Nothing is impossible if we work with conviction that the Bank is ours and we shall discharge our responsibilities and duties with all seriousness so that we can meet any challenges squarely and take our dear institution to greater heights in the days to come. We shall adhere to that. Let that be our prime task.**

With greetings,

Yours comradely,

Sd/-
(P.R.Karanth)
GENERAL SECRETARY, KBEA

Sd/-
(K.Raghava)
GENERAL SECRETARY, KBOO

KARNATAKA BANK EMPLOYEES' ASSOCIATION	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	ZINDABAD