Karnataka Bank Officers' Organisation (Regd.)

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CIRCULAR No. 12/2026 **READ AND CIRCULATE** August 31, 2026

Dear Comrades,

- **OUR STRONG OPPOSITION TO RECRUITMENT UNDER THE CTC MODEL CONTINUES**
- **MEMORANDUM SUBMITTED TO THE CHAIRMAN AND BOARD OF DIRECTORS – ISSUE ESCALATED TO THE HIGHEST LEVEL**
- **WE SHALL DEFEND BILATERALISM AND PROTECT THE HARD-EARNED RIGHTS OF OUR MEMBERS**

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Members are aware that the Management, after issuing a notice on **31-12-2025** terminating the Promotion Policy MoU dated **26-12-2012,** has been holding bilateral discussions with our Organisation for reviewing the Promotion Policy.

During the course of these discussions, the Management repeatedly indicated its intention to recruit Officers and Award Staff under the **CTC (Cost to Company) Model** in place of the existing service conditions governed by the **Bank level settlements / Industry level settlements and IBA scales of pay.** Right from the beginning, our Organisation has been **unequivocal in opposing any such move,** as it would adversely affect the **service conditions, career progression, industrial harmony and long-term interests of the Bank.**

As informed through our **earlier Circular No. 09/2026,** we had addressed a detailed communication to the **Managing Director & CEO on 04-08-2026,** strongly opposing recruitment under the CTC Model and demanding that the Promotion Policy be finalised only through meaningful bilateral discussions and mutual agreement.

Despite our consistent stand and repeated representations, **no satisfactory assurance has been forthcoming from the Management.** In these circumstances, and considering the seriousness of the issues involved, we have decided to **escalate the matter to the highest level of the Bank.**

Accordingly, on the occasion of the **Board Meeting held at Bengaluru on 29-08-2026,** our Organisation submitted a detailed **Memorandum bearing No. KBOO: OR:344:2026 dated 29-08-2026** to the **Chairman and Board of Directors through email.**

In the Memorandum, we have **strongly urged the Chairman and Board of Directors** to:

- **Uphold the long-established tradition of cordial industrial relations in the Bank.**

- **Reject any move towards recruitment under the CTC Model.**
- **Preserve the existing system of recruitment under IBA scales and service conditions.**
- **Respect and strengthen the process of bilateralism.**
- **Ensure that a mutually acceptable Promotion Policy MoU is finalised through meaningful discussions with the recognised Organisation.**

For the information of our members, we reproduce below **the Memorandum submitted to the Chairman and Board of Directors.**

To

The Chairman,	**The Board of Directors,**
Karnataka Bank Ltd.,	**Karnataka Bank Ltd.,**
HO, Mangaluru.	**HO, Mangaluru.**

MEMORANDUM

Respected Sirs/ Madam,

CONTEMPLATED MOVE OF THE MANAGEMENT TO RESORT TO UNFAIR LABOUR PRACTICES.

OUR DEMAND TO UPHOLD THE TIME-TESTED INDUSTRIAL RELATION POLICY IN OUR INSTITUTION.

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We seek your kind intervention to **uphold the sanctity of the time-tested industrial relations policy** in our Institution. The signals emanating from the administrative side of the Management are causing serious concern among Officers / Employees and **have the potential to disturb the congenial and harmonious industrial relations climate that has prevailed in our Bank over the decades.**

2. To briefly state the facts, our Organisation entered into the first **Memorandum of Understanding (MOU)** on the **Promotion Policy for Officers on 30-01-1986.** Thereafter, the MOU underwent revisions and improvements on **30-10-1990, 12-01-1995, 14-11-2009, and finally on 26-12-2012, besides additions/amendments made on 07-07-2004 and need based lateral recruitment of officers in specialised category through bilateral discussion on many occasions.** These developments clearly demonstrate that **our Organisation has always understood and responded to the evolving needs of the Institution while simultaneously fulfilling the legitimate aspirations of the workforce.**

Our Organisation has consistently adopted a **constructive and cooperative approach, working in close coordination with successive institutional leaders of the Bank.** The long-standing relationship of mutual trust and confidence between the Management and the Organisation has contributed **significantly to industrial peace and institutional growth.** However, the recent approach adopted by the present HR administration has unfortunately created **uncertainty and has adversely affected the atmosphere of trust and confidence that has been carefully nurtured over decades.**

3. The notice issued for termination of the MOU governing the Promotion Policy for Officers is wholly unacceptable to our Organisation and calls for immediate reconsideration by the Administration. **The unilateral move to terminate a long-standing bilateral settlement, which has successfully served the interests of both the Institution and its officers, came as a complete surprise to us. Such an action is contrary to the spirit of mutual consultation and collective understanding that has traditionally characterised industrial relations in our Bank and amounts to an unfair labour practice.**

4. We are also constrained to note that the **Chief Operating Officer (COO),** through a recent communication, has chosen to directly approach individual **employees to advocate the purported merits of CTC appointments in the Bank. The concept of fixed-term or 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 and Institutional continuity.**

The experience of the Bank with CTC-based appointments, including instances of attrition and their consequential impact on business continuity, financial performance, and the reputation of our Bank, is well known. Therefore, **the attempt to promote and justify recruitment under the CTC model is strongly opposed by our Organisation. Any persistence with such a policy is likely to adversely affect the harmonious industrial relations climate that has been the hallmark of our Institution.**

5. In the interests of **equity, justice, fair play, and institutional harmony,** we earnestly request the **Chairman and Board** to advise the Administration to **retrace its steps from the present move towards recruitment on a CTC basis and instead continue the well-established practice of recruiting employees on regular employment terms under IBA scales of pay.**

We further request the Administration to **review and improve the existing Promotion Policy MOU through meaningful bilateral discussions, as has been the practice in the past.** Such an approach would be in **the best interests of all stakeholders, including the Institution, its customers, its shareholders and its employees, while also avoiding unnecessary industrial confrontation.**

As an **important partner in the progress and development of our Bank,** our Organisation has always upheld and practiced the motto, **"Together We Grow."** We therefore sincerely expect the Board to advise the Administration to:

1. **Recruit staff in all cadres on a regular employment basis under IBA scales of pay;**
2. **Refrain from recruitment under the CTC model;**
3. **Preserve and strengthen the established system of bilateral discussions and collective bargaining; and**
4. **Continue the constructive institution-building process that has been a proud legacy of our Bank.**

We are confident that the Board will appreciate the gravity of the concerns raised herein and take appropriate steps **to preserve the harmonious industrial relations environment** that has been **one of the key strengths of our Institution.**

Yours sincerely,

Sd/-

Suresha Hegde S
GENERAL SECRETARY

CC to:

1. The General Secretary, All India Bank Officers' Association, Chennai – for information.

Comrades, the issues involved are not merely related to recruitment or promotion policy. **THEY CONCERN THE FUTURE CHARACTER OF OUR BANK, the preservation of established service conditions, the sanctity of bilateral agreements and the protection of the hard-earned rights secured through decades of collective efforts and struggles.**

Our Organisation has always believed in **constructive dialogue and amicable settlement of issues through discussions.** However, **we cannot remain silent spectators when attempts are made to dilute established service conditions or undermine the spirit of bilateralism.**

We will continue to pursue the matter vigorously at all levels and **take every legitimate step** necessary to **safeguard the interests of our members and the institution.**

COMRADES, THE TIME HAS COME TO REMAIN ALERT, UNITED AND PREPARED.

LET US FURTHER STRENGTHEN OUR UNITY AND SOLIDARITY.

LET US PRESERVE AND DEFEND THE PROUD TRADITION OF BILATERALISM IN OUR BANK.

LET US STAND SHOULDER TO SHOULDER TO PROTECT OUR HARD-WON RIGHTS AND SERVICE CONDITIONS.

LET US BE PREPARED FOR A UNITED STRUGGLE AGAINST ANY ATTEMPT TO UNDERMINE OUR LEGITIMATE RIGHTS AND INTERESTS.

UNITED WE STAND, UNITED WE FIGHT, UNITED WE SHALL SUCCEED.

With fighting greetings,

Yours comradely,

(SURESHA HEGDE S.)
GENERAL SECRETARY

ALL INDIA BANK OFFICERS' ASSOCIATION	**... ... ...**	**ZINDABAD**
KARNATAKA BANK OFFICERS' ORGANISATION	**... ... ...**	**ZINDABAD**
OFFICERS - WORKMEN UNITY	**... ... ...**	**ZINDABAD**