



Karnataka Bank Officers' Organisation (Regd.)

Regd. Office: Mangalore (D.K.)
(Affiliated to AIBOA)

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CIRCULAR No. 14/2026

READ AND CIRCULATE

September 19, 2026

Dear Comrades,

- ❖ **MANAGEMENT'S LETTER DATED 24-08-2026 – OUR DETAILED REPLY**
- ❖ **NO TO THREATS AGAINST THE RECOGNISED ORGANISATION**
- ❖ **DEMAND FOR WITHDRAWAL OF THE NOTICE TERMINATING THE PROMOTION POLICY MOU AND REVIEW OF THE PROMOTION POLICY THROUGH BILATERAL DISCUSSIONS**
- ❖ **NO TO RECRUITMENT UNDER THE CTC MODEL**

Members are aware that our Organisation has been **consistently opposing the unilateral termination of the Promotion Policy MOU** and the Management's proposal to **recruit employees and officers under the CTC (Cost to Company) Model**.

As informed through our earlier Circulars, the Management, vide its letter dated 24-08-2026, sought to justify its actions relating to the Promotion Policy MOU and recruitment under the CTC Model. More disturbing, however, was the tenor of the communication, **wherein the representative Organisation of officers was sought to be cautioned for discharging its legitimate trade union responsibilities and for keeping members informed about developments affecting their service conditions, career progression and future prospects**.

Our Organisation examined the contents of the Management's communication in detail and has submitted a reply vide OR/373/2026 dated 18-09-2026. In our reply, we have **categorically rejected the allegations made against the Organisation, strongly defended the democratic, constitutional and trade union rights of employees/officers and their representative Organisation, reaffirmed our commitment to the time-tested policy of bilateralism and reiterated our strong opposition to recruitment under the CTC Model**.

We have also made it **abundantly clear that any attempt to threaten, intimidate or silence the recognised representative Organisation for carrying out its legitimate trade union functions is unacceptable, contrary to the spirit of healthy industrial relations and tantamount to an unfair labour practice**.

Further, we have reiterated our concerns regarding the **preservation of bilateralism, transparency in career progression, fairness in recruitment, protection of service conditions and the future organisational culture of our Bank**. Our Organisation has therefore urged the Management to **withdraw its unilateral approach, review and withdraw the notice terminating the Promotion Policy MOU, resume meaningful bilateral discussions and evolve a revised and mutually acceptable Promotion Policy MOU in the best interests of the Institution and its workforce**.

For the information of our members, we reproduce below the reply submitted to the **Managing Director** with a copy to the **Chief Operating Officer (COO)**.

Dear Sir,

Reg: Bank's letter dated 24-08-2026 on Promotion Policy MOU and Recruitment on CTC basis–Our Reply

Ref: 1. Our letter No. OR/330/2026 dated 04-08-2026.
2. Your Letter No. HO/HR&IR/KBOO/1507/2026-27 dated 24-08-2026.

We acknowledge the receipt of the Management letter under reference and have examined its contents.

2. At the outset, **we express our strong displeasure over the tenor and contents of the Bank's communication**. Instead of addressing the **genuine concerns** raised by our Organisation regarding the **unilateral notice of termination MOU** on the **Promotion Policy** and the proposal to **recruit personnel under the CTC model**, the bank has preferred to question the bona fides of the representative Organisation

of officers and has even sought to caution and threaten the Organisation for exercising its legitimate trade union rights. Such an approach is **neither conducive to healthy industrial relations nor consistent with the long-standing tradition of bilateralism that has been the hallmark of our Bank hitherto.**

3. The Bank has alleged that our Organisation has made a “**distorted representation**” of its proposals. **We categorically reject this observation.** Our letter dated 04-08-2026 was based entirely on the facts available before us, the minutes of discussions and communications issued by the Management, and the concerns expressed by thousands of officers whom we represent in our bank.

4. When the Management issued a **notice terminating a long-standing Promotion Policy MOU and simultaneously advocates recruitment under a CTC model outside the established service conditions**, it becomes the bounden duty of the recognised representative officers’ union to analyse the implications, educate its members and place its objections on record. Mere disagreement with the management decisions cannot be construed as distortion.

5. Further, the Management has expressed concern that the Organisation has communicated its views to officers. **We wish to record that keeping the members informed about the developments affecting their service conditions, career progression and future prospects is one of the primary responsibilities of a responsible trade union. The Management should restrain and not to interfere with the legitimate trade union work, as we are conducting our activities within the framework of law and established trade union principles.**

6. We reiterate that the Organisation shall continue to keep its members informed of all developments having a bearing on **their service conditions, career prospects and welfare.** The **most disturbing part of your communication** is the undesirable conclusion about our organisation and that the Organisation is “**urging preparations for agitation**” and the warning that “**corrective action will be initiated against those responsible.**”

We **categorically** state that:

- **The trade unions are to necessarily organise, assemble, protest and undertake lawful organisational actions, which is the bedrock of a trade union. It goes without saying that the role and responsibilities of a trade union is to protect the democratic and constitutional rights.**
- **A registered and recognised trade union has not only the right but also the obligation to mobilise its members whenever their legitimate interests are threatened and denied.**
- **Organisational action against injustice, unilateral decisions and adverse service conditions is an integral and inseparable part of trade union functioning.**
- **The Management should not to provoke, intimidate, threaten or restrain a recognised trade union from carrying out its legitimate trade union activities in the interest of the Institution as well as its loyal members.**

7. Our Organisation has always acted responsibly and strictly within the framework of law. **Any attempt to threaten, intimidate or silence the representative Organisation for discharging its legitimate trade union responsibilities is unacceptable and contrary to the spirit of healthy industrial relations and tantamount to an unfair labour practice.** Our Organisation is not expected to remain silent spectators when the interests of our members are adversely affected. Taking organisational action against injustice, unilateral decisions and actions detrimental to officers is a recognised trade union function and **a legitimate fundamental democratic right.** As such, **we cannot and will not surrender our trade union rights merely because the Management disagrees with our stand on men and matters.**

8. The Management has stated that the termination notice was issued to review “**legacy practices**” and introduce “**modern updates.**” This explanation does not address the core issue raised by us. The issue is not whether improvements can be discussed. The issue is that **a bilateral settlement arrived at through mutual negotiations cannot be replaced by unilateral action. To make it short, bilateralism cannot be substituted by unilateral actions.**

9. For more than four decades, the Promotion Policy MOUs entered into between the Management and the Organisation have provided **transparency, certainty and confidence** to officers regarding their career progression. **These promotion policies facilitated need-based and merit-based promotions and enabled deserving employees who joined the Bank as Office Assistants, CSAs and Officers to rise through the ranks and occupy leadership positions at various levels, including Top Management positions such as Managing Directors, Chairmen and Executive functionaries. Needless to state that, many of the present executives in the Top and Middle Management cadres have themselves benefited from and progressed under the promotion policies evolved through bilateral discussions**

and mutual agreements between the Management and the Organisation from time to time. Our commitment and conduct speak for itself.

10. Further, the Management has **contradicted its own stand**. On the one hand, it assures existing personnel that their service conditions and benefits are fully protected, while on the other hand it unilaterally terminates bilaterally negotiated MOUs and settlements that safeguard the interests and career aspirations of the workforce.

11. If modifications are considered necessary, the proper course is to have a **meaningful bilateral negotiations and mutual agreement, not unilateral termination followed by the imposition of a new framework**. Bilateralism cannot survive if one party reserves unto itself the right to unilaterally withdraw from understandings affecting service conditions.

12. We appreciate the statement of the Management that it remains ready to evaluate constructive proposals in the interest of all. We therefore **sincerely urge upon the Management to review and withdraw its notice dated 31-12-2025 terminating the Promotion Policy MOU** and to initiate steps to involve the Organisation for meaningful discussions so that **a revised and mutually acceptable Promotion Policy MOU can be evolved through bilateral negotiations, as has been the established practice in our Bank**. Such an approach alone can **restore confidence and preserve the harmonious industrial relations** that have been **painstakingly built over decades**. This becomes even more relevant in the **present context** when the **Management itself has acknowledged that the Bank is on a strong growth trajectory and that employees are working tirelessly to take our beloved Bank to greater heights**.

13. The Management has also asserted that **CTC based recruitment is “the need of the hour”** and that recruitment is the exclusive prerogative of the Management. While recruitment may be a managerial function, the impact of recruitment policies on **existing employees, career opportunities, development of future leadership, organisational culture and industrial relations** is unquestionably a legitimate subject for bilateral discussion with the representative unions.

Our objections are based on sound and practical considerations:

- It adversely impacts the promotional opportunities and career aspirations of existing employees/officers.
- Recruitment under the CTC model creates disparities among employees performing similar functions and undermines the established service structure built over decades. It weakens the principle of uniform service conditions. It encourages the emergence of a dual employment structure that is detrimental to the long-term interests of the Bank and its industrial harmony.
- 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.

14. Further, **our recent experience with highly paid lateral and contractual appointments on CTC basis at senior levels has not inspired confidence**. Several such appointments ended in **abrupt exits, causing disruption and uncertainty and raising serious concerns regarding transparency, merit, HR governance and institutional continuity**. Such developments have not only imposed substantial costs on the Bank but have also adversely affected the reputation and legacy painstakingly built over decades through the commitment, experience and dedication of employees/officers/executives who rose through the established system.

15. We firmly believe that the **Bank’s growth, competitiveness and future leadership requirements** can be effectively addressed through **adequate recruitment under regular scales, proper manpower planning, skill development and fair promotional opportunities for the existing employees**.

16. The suggestion that opposition to the CTC model amounts to opposition to performance-based recognition is wholly misplaced. **Our Organisation has never opposed performance, excellence, accountability or professional growth**. What we oppose is the **creation of parallel employment structures** that bypass established service conditions and **adversely affect the legitimate aspirations of existing employees as well as future employment opportunities**. Maintaining transparency and fairness in recruitment is **essential** for sustaining the **morale of existing employees and preserving the faith of unemployed youth who aspire to join the Bank through merit-based opportunities**.

17. **A strong institution is built not by dividing employees into multiple categories but by ensuring fairness, transparency, equal opportunity and respect for established service conditions**.

18. The Management has stated that **bilateralism is a shared responsibility**. We fully agree. However, **bilateralism is not merely a slogan. It requires mutual respect, consultation and recognition of the representative role of trade unions.**

Bilateralism cannot coexist with:

- **Unilateral termination of mutually agreed arrangements;**
- **Introduction of policies affecting officers without consensus;**
- **Threats against the legitimate organisational activities of the recognised union; and**
- **Attempts to delegitimise the concerns raised by employees/officers and their representative Organisation.**

19. The responsibility to **preserve and strengthen bilateralism rests equally upon the Management**. Therefore, **our Organisation reiterates its strong resentment to:**

1. **The unilateral termination of the Promotion Policy MOU without arriving at a mutually acceptable alternative;**
2. **Recruitment under the CTC model in officer and employee cadres; and**
3. **Any attempt to dilute the established principles of bilateralism and participative industrial relations in our Bank.**

20. We once again fervently appeal to the Management to withdraw its unilateral approach, continue meaningful bilateral discussions and evolve solutions acceptable to all stakeholders. **At the same time, we make it clear that our Organisation shall continue to discharge its constitutional, statutory and trade union responsibilities fearlessly, responsibly and without compromise.**

21. We sincerely hope that the Management will reconsider its stand and engage in constructive dialogue rather than confrontation, thereby promoting the healthy industrial relations and congenial climate that has been one of the strengths of our institution.

Yours faithfully,
Sd/-

(Suresha Hegde S)
GENERAL SECRETARY

CC to:

1. **The Chief Operating Officer, Karnataka Bank Ltd, HO, Mangaluru**
2. **The General Secretary, All India Bank Officers' Association, Chennai**

– for information

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- ✓ **COMRADES, LET US REMAIN ALERT, UNITED AND ORGANISED.**
 - ✓ **LET US DEFEND THE PROUD TRADITION OF BILATERALISM IN OUR BANK.**
 - ✓ **LET US PROTECT OUR HARD-WON RIGHTS, SERVICE CONDITIONS AND CAREER OPPORTUNITIES.**
 - ✓ **LET US STAND SHOULDER TO SHOULDER IN DEFENCE OF DEMOCRATIC TRADE UNION RIGHTS.**
 - ✓ **LET US STRENGTHEN OUR UNITY AND PREPARE FOR ORGANISATIONAL ACTION, IF NECESSARY, TO DEFEND OUR LEGITIMATE RIGHTS AND INTERESTS.**

UNITED WE STAND. UNITED WE STRUGGLE. 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