Karnataka Bank Officers' Organisation (Regd.)

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

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CIRCULAR No. 09/2026 **READ AND CIRCULATE** August 5, 2026

- **OUR STRONG OPPOSITION TO THE RECRUITMENT OF OFFICERS UNDER THE CTC MODEL**
- **OUR DEMAND FOR BILATERAL DISCUSSIONS AND AN ACCEPTABLE PROMOTION POLICY MOU**
- **COMRADES, THE WOLF IS AT OUR DOORSTEP!**
- **GET READY FOR THE PATH OF STRUGGLE!**
- **COMRADES, GET READY FOR THE PATH OF ACTION!**

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Dear Comrades,

Members are aware that the existing promotion exercises for Scale II, III and IV have been carried out in accordance with the Promotion Policy MOU dated **26-12-2012,** under which thousands of our members have progressed in their career paths, including our present and past executives.

However, on **31-12-2025,** without any provocation, the Management issued a **notice terminating the Promotion Policy MOU dated 26-12-2012.** It is pertinent to note that the MOU dated 26-12-2012 did not contain any termination clause. Instead, it contained only a review clause, which reads as follows: ***"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 by giving one month's notice in writing."***

When we have been maintaining a harmonious industrial relationship and the Bank has been progressing steadily, it is unfortunate that the Management has chosen to issue a notice of termination instead of initiating a review of the Promotion Policy as envisaged in the MOU.

As a responsible and responsive Organisation, despite this provocation by the Management, we exercised utmost restraint. **We registered our strong protest during the bilateral meeting held on 31-12-2025.** Thereafter, the Management invited us for discussions on **12-01-2026** to review the Promotion Policy. However, the discussions remained inconclusive on that day. Subsequently, we submitted our detailed representation to the Management on **17-01-2026**.

Thereafter, the Management again invited us for bilateral discussions on **17-01-2026, 07-04-2026, 02-06-2026, and 30-06-2026** to review the Promotion Policy. However, during all these meetings, the Management repeatedly stated that future recruitment of Award Staff and Officers would be made under the **CTC (Cost to Company) Model,** purportedly in the name of cost reduction and performance orientation, instead of the existing **IBA Pay Scale** pattern. **Throughout these bilateral discussions, the Management's stand remained ambiguous and lacked clarity.** Such a stand is **neither in the best interests of our employees nor conducive to the long-term interests of the Bank.**

Therefore, we have addressed a letter to **the Managing Director on 04-08-2026,** strongly opposing the proposal to recruit employees under the CTC Model and demanding that the Management enter into a mutually acceptable Promotion Policy MOU without further delay.

For the information of our members, we reproduce below the relevant extracts of our Letter No. OR/ No./330 /2026 dated **04-08-2026** addressed **to the Managing Director:**

Dear Sir,

Sub: Strong Opposition to Recruitment under the CTC Model and Demand for Adequate Recruitment of Staff in All Cadres on a Regular Basis under IBA Scales AND

Demand for Conducting the Current Year's Promotion Exercise as per the Existing Promotion Policy MOU dated 26-12-2012.

Ref:
1. **HO/HR&IR/KBOO/2286/2025-26 dated 31-12-2025**
2. **HO/HR&IR/KBOO/2800/2025-26 dated 16-01-2026**
3. **KBOO/OR No. 24/2026 dated 17-01-2026**
4. **Our Joint Letter OR No./94/2026 dated 25-05-2026**

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We draw your kind attention to the bilateral meeting held on 12-01-2026 following the Management's **sudden issuance of a notice** dated 31-12-2025 **terminating the existing Promotion Policy MOU** dated 26-12-2012, **which was strongly protested by us vide our letter cited under reference No. 2 above.**

Thereafter, the Management convened further bilateral discussions on **17-01-2026, 07-04-2026, 02-06-2026 and 30-06-2026** under the **pretext of reviewing the existing Promotion Policy MOU.** However, during these discussions, the primary focus of the Management appeared to be the proposed **recruitment of Officers under the Cost to Company (CTC) model** on the grounds of cost optimisation and workforce performance, while the discussion on the Promotion Policy review took a back seat.

During all these meetings, **our Organisation unequivocally conveyed its strong opposition to recruitment under the CTC model.** At the same time, **we made it clear that we are willing to engage constructively in reviewing the existing Promotion Policy MOU dated 26-12-2012 and to provide our suggestions and inputs for evolving a robust Promotion Policy that addresses the present-day requirements of the Bank while also meeting the legitimate career aspirations of our members.**

The Management had also indicated that, as a goodwill gesture, it would continue to follow the existing promotion process until a new understanding is reached between the Bank and KBOO at the earliest.

We further categorically stated that the CTC model is neither in the **long-term interest of the Bank nor that of its workforce.** We highlighted the various risks associated with the proposed recruitment model. In our considered view, **the introduction of a parallel employment structure may create disparities within the workforce, adversely affect employee morale, disturb harmonious industrial relations, and ultimately impact customer service, business growth, and the overall development of the Bank.**

We have now come to understand that, despite our objections, **the Management is contemplating recruitment under the CTC model. We strongly oppose any such move.** It is pertinent to note that **the Bank has made significant progress during the past year, and the existing workforce has contributed immensely to the improvement in business performance. Officers and employees continue to work tirelessly to mobilise business, improve productivity, and strengthen the financial position of the Bank.**

Under these circumstances, if the Management proceeds with the proposed CTC-based recruitment initiative or attempts to introduce changes affecting service conditions without arriving at a mutually acceptable understanding with the Organisation, we may be compelled to adopt an agitational course of action in defence of the interests of the workforce and the Bank. In such an eventuality, the responsibility for any disruption to normal banking operations and customer service shall rest solely with the Management.

The industry-level Bipartite Settlement/Joint Note framework is transparent, time-tested, equitable, and widely accepted across the banking industry. It has ensured industrial harmony, stability, and a well-defined career progression system for employees over several decades. **Therefore, we reiterate our firm stand that recruitment in our Bank should continue to be made under the IBA scales and service conditions, which are in the best interests of both the Bank and its workforce.**

We also urge the Management to expedite the bilateral discussions on the Promotion Policy and arrive at a mutually acceptable Promotion Policy MOU at the earliest. Until such time, the existing promotion process and the current year's promotion exercise should continue to be governed by the provisions of the Promotion Policy MOU dated 26-12-2012.

In addition, **we urge the Management to undertake adequate recruitment of staff in all cadres on a regular basis to meet the growing business requirements of the Bank and to ensure efficient customer service.** Strengthening the workforce through regular recruitment under established industry norms will contribute significantly to the Bank's sustained growth and long-term success.

We sincerely hope that **the Management will take a pragmatic and constructive view of the matter and avoid creating a situation that may compel the workforce to resort to agitation during this important phase of the Bank's growth journey.**

We look forward to an immediate and favourable response in the interests of the Bank, its valued customers, and its employees.

Thanking you,

Yours faithfully,
Sd/-
(Suresha Hegde S)
GENERAL SECRETARY

CC to:

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

We wish to keep our members informed of the latest developments in this matter.

COMRADES, THE WOLF IS AT OUR DOORSTEP. We cannot accept recruitment under the CTC Model in our Bank. We cannot accept the unilateral termination of a Promotion Policy MOU that was evolved through bilateral discussions. **We stand firmly committed to preserving the spirit of bilateralism and protecting the hard-earned rights of our members.**

LET US BE READY FOR A UNITED STRUGGLE AGAINST THIS ATTACK ON OUR HARD-WON RIGHTS!

LET US BE READY TO FIGHT UNITEDLY AGAINST THIS INJUSTICE!

LET US BE READY FOR UNITED ACTION!

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**