Karnataka Bank Officers' Organisation (Regd.)

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

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OUR LIST OF DEMANDS FOR ENHANCEMENT OF STAFF WELFARE MEASURES AND CREDIT FACILITIES

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Dear Comrades,

Members are aware that several of our **staff welfare measures and credit facilities** were revised long ago. Since then, there has been a substantial increase in the cost of living, inflationary pressures, and market prices. In view of the changing economic environment, the existing limits and provisions have become inadequate and warrant a significant upward revision.

In this regard, we have received several representations from our members requesting a review and enhancement of various staff welfare measures and credit facilities currently in force.

Accordingly, we have addressed a letter to **the Managing Director on 30-07-2026,** detailing our demands and requesting an early bilateral meeting to discuss the same. For the information of our members, we reproduce below the relevant extracts of our letter No. OR/No./324/2026 dated 30-07-2026 addressed to the Managing Director:-

Dear Sir,

Sub: Enhancement sought in the existing Staff Welfare Measures and Credit Facilities for Officers

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At present, in accordance with the various understandings and settlements arrived at between the Management and our Organisation from time to time, the Officers of the Bank are entitled to the following Staff Welfare Measures and Staff Credit Facilities:

1. Reimbursement of Business Development Expenses (BDE)
2. Reimbursement of Lodging Expenses while travelling on Duty
3. Rent Reimbursement limits for leased residential quarters
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 Travell (HTT) for Officers posted to North India Branches / offices
9. Option to avail Leave Fare Concession (LFC) under Scheme 'A' or Scheme 'B'

Credit Facilities under following Staff Loan Schemes

1. Clean Loan facility
2. Gold Loan facility
3. Computer Loan facility

Most of the above welfare measures and staff credit facilities were introduced or revised several years ago. Considering the steep rise in the cost of living, inflation, escalation in market prices and the changing economic environment, the existing limits and provisions have become inadequate and require substantial enhancement.

In this regard, we have been receiving numerous representations from our members requesting revision and improvement of the existing Staff Welfare Measures and Staff Loan Schemes. After carefully examining these representations and assessing the present-day requirements of our members, we are of the considered opinion that the existing welfare measures and staff credit facilities deserve a comprehensive review and suitable enhancement to meet the genuine needs of the Officers.

Accordingly, we hereby submit our demands for revision and enhancement of the existing Staff Welfare Measures and Staff Credit Facilities, the details of which are furnished herewith for your kind consideration:

1. REIMBURSEMENT OF BUSINESS DEVELOPMENT EXPENSES (BDE)

- The existing BDE reimbursement limits for Branch Managers were last revised with effect from **01-05-2006.** Simultaneously, the BDE reimbursement facility was extended to Assistant Branch Managers with effect from the same date.
- Subsequently, our Organisation sought revision of the existing BDE reimbursement limits vide our letter **KBOO/113/2016 dated 25-07-2016.** Pursuant thereto, a bilateral discussion was held on **03-10-2016.** However, the discussions remained inconclusive, and no further progress has been made in the matter thereafter.
- It is pertinent to note that nearly two decades have elapsed since the last revision of the BDE reimbursement limits. During this period, there has been a steep increase in the cost of hospitality, customer engagement, travel, promotional activities and other business development-related expenses. Further, the nature and scope of business development responsibilities entrusted to Branch Managers and Assistant Branch Managers have undergone a significant transformation in line with the rapidly evolving and highly competitive banking environment.
- In addition to the conventional business development activities, Branch Heads are now expected to undertake intensive customer acquisition, relationship management, cross-selling of multiple products, recovery follow-up, marketing campaigns, financial inclusion initiatives, digital banking promotion and several other business growth initiatives. These additional responsibilities invariably involve considerable expenditure, which is not adequately covered under the existing reimbursement limits.
- Considering the substantial increase in business development expenses, inflationary trends and the expanded scope of responsibilities entrusted to Branch Heads, we strongly feel that the existing reimbursement limits have become grossly inadequate and warrant a substantial upward revision.
- Accordingly, we demand that the existing BDE reimbursement limits be reviewed and revised as under:

A. <u>BRANCH HEADS</u>:

Turnover of the Branch (Rs.)	Proposed BDE Reimbursement (Rs. per month)
Upto 10 crores	2000
Above 10 crores upto 50 crores	3000
Above 50 crores upto 100 crores	4000
Above 100 crores upto 200 crores	5000
Above 200 crores upto 300 crores	6000
Above 300 crores upto 500 crores	7000
Above 500 Crores	8000

B. <u>Asst. Branch Managers</u>: The reimbursement of BDE for ABMs shall be 75% of the reimbursement limit applicable to the Branch Manager of the respective branch.

2. REIMBURSEMENT OF LODGING EXPENSES WHILE TRAVELLING ON DUTY

The existing reimbursement limits for lodging expenses incurred by Officers while travelling on official duty were last revised with effect from **01-11-2016.** Since then, nearly a decade has elapsed, during which there has been a substantial increase in hotel room tariffs and other incidental lodging expenses across the country.

In the prevailing market conditions, the existing reimbursement limits have become inadequate, compelling Officers to bear a considerable portion of the lodging expenses from their own resources while discharging official duties. It is only fair and reasonable that they are reimbursed the actual lodging expenses within realistic and revised limits.

Considering the steep increase in hotel tariffs over the years and the need to provide reasonable reimbursement for official travel, we demand that the existing lodging expense reimbursement limits be suitably enhanced as follows:

Scale of Officers	Maximum Room Tariff		
	Major 'A' Class Cities and Goa	Area I	Other Places
Scale I	4000	3500	2500
Scale II & III	4500	4000	3000

3. RENT REIMBURSEMENT LIMITS FOR LEASED RESIDENTIAL QUARTERS

The rental ceilings for leased residential accommodation available to officers were last revised w.e.f. 01-04-2023. Since then, there has been a substantial increase in rental values across all locations, particularly in urban centres, major cities, and metropolitan areas. Due to the unprecedented escalation in house rents, a large number of our members occupying leased residential accommodation are compelled to bear the excess rental burden from their own pockets, resulting in considerable financial hardship.

Considering the prevailing market rental rates and the genuine difficulties faced by officers, we strongly demand a revision and enhancement of the existing rental ceilings for leased residential accommodation as detailed below:

Sl. No.	Centre/Areas	Limit of Rent (Amount in Rs. per month)		
		Scale I	Scale II	Scale III
1	Delhi & NCR, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad & Secunderabad and **Ahmedabad**	24000	27000	29000
2	Major 'A' Class Cities & Project Area Centres in Group 'A' (Excluding Branches in Delhi and NCR)	22000	24000	27000
3	All other Branches in Delhi Region (excluding branches referred to in (1) above), Kolkata Region (Excluding branches referred to in (2) above and in the State of Madhya Pradesh and **Gujarat**	20000	22000	24000
4	Places in Area-I, State capitals & Project Area Centres in Group-B (Excluding Branches situated at places referred in (1), (2) and (3) above)	18000	20000	22000
5	Places with population of 1 lakh and above but less than 12 lakhs (Excluding branches situated at places referred to in (3) and (4) above	16000	18000	20000
6	Places with population of less than 1 lakh (Excluding branches situated at places referred to in (3) above	10000	11000	12000

4. REIMBURSEMENT OF CONVEYANCE EXPENSES

The Conveyance Allowance payable to Branch Heads and Officers was last revised with effect from 01-11-2016. Over the past ten years, there has been a substantial increase in conveyance expenses owing to the expansion of business development activities, increased customer outreach initiatives, and the longer distances travelled between residences and branches/offices. Consequently, the actual conveyance expenses incurred by Branch Heads and Officers have increased significantly, making the existing allowance inadequate to meet present-day requirements.

Further, in line with the Government's policy initiatives promoting sustainable transportation and considering the environmental benefits of Electric Vehicles (EVs), a growing number of our members are opting for EVs. To encourage the adoption of eco-friendly vehicles and to adequately compensate the related operating expenses, a separate reimbursement ceiling for Electric Vehicles may be introduced.

Further, Sales Officers are presently eligible for the same Conveyance Allowance reimbursement limits as applicable to other Officers. Considering the nature of their duties, which involve extensive field visits, customer interactions, and outreach to existing as well as prospective customers for business generation, the conveyance expenses incurred by them are substantially higher. Therefore, we demand that an additional conveyance reimbursement facility or a higher reimbursement ceiling be provided to Sales Officers to adequately meet their operational requirements and to motivate and encourage them in achieving the Bank's business objectives.

In view of the above, we strongly demand an upward revision of the Conveyance Allowance limits and the introduction of a separate reimbursement ceiling for Electric Vehicles (EVs), as detailed below:

FOR OFFICERS SCALE I, II AND III:

Category of vehicle	*Metro / Urban Centres*	*Other places*
2 wheelers	*45 liters*	*35 liters*
Four wheelers	*60 liters*	*48 liters*

FOR BRANCH HEADS SCALE I, II AND III:

Category of vehicle	*Metro & Area I (population exceeding 12 lakh)*	*Area II (population 1 lakh to 12 lakh)*	*Area III (population below 1 lakh)*
2 wheelers	*65 liters*	*60 liters*	*55 liters*
Four wheelers	*105 liters*	*80 liters*	*75 liters*

FOR OFFICERS SCALE I, II AND III - EV 2-wheeler / Car:

Category of vehicle	*Metro / Urban Centres (Rs.)*	*Other places (Rs.)*
2 wheelers	*Rs.2000 pm*	*Rs.1750 pm*
Four wheelers	*Rs.5000 pm*	*Rs.4000 pm*

FOR BRANCH HEADS SCALE I, II AND III - EV 2-wheeler / Car:

Category of vehicle	*Metro & Area I (population exceeding 12 lakh)*	*Area II (population 1 lakh to 12 lakh)*	*Area III (population below 1 lakh)*
2 wheelers	*Rs.3000 pm*	*Rs.2500 pm*	*Rs.2000 pm*
Four wheelers	*Rs.7000 pm*	*Rs.6000 pm*	*Rs.5000 pm*

SALES OFFICERS (CASA/Retail /MSME etc.)

Category of vehicle	***Metro / Urban Centres***	***Other places***
2 wheelers	*55 liters*	*45 liters*
EV – 2-Wheeler	*Rs.2500 pm*	*Rs.2250 pm*

ON DECLARATION BASIS

Category of vehicle	***Metro / Urban Centres***	***Other places***
Officers & Branch Head who do not own the Vehicle	*Rs. 2500/- PM*	*Rs. 2000/- PM*

5. REIMBURSEMENT OF CANTEEN EXPENSES:

The reimbursement limit for canteen expenses incurred by Officers was last revised w.e.f. 01-09-2018. Since then, nearly eight years have elapsed, during which there has been a substantial increase in the prices of food and beverages served in hotels, canteens, and similar establishments across the country.

In view of the steep escalation in the cost of food / canteen expenses, the existing reimbursement limit has become grossly inadequate and does not reflect the prevailing market rates. Considering the genuine requirement of the Officers and the significant rise in food and canteen costs, we demand that the existing reimbursement limit be suitably **enhanced from Rs.1,100/- per month to Rs.2,200/- per month.**

6. REIMBURSEMENT OF NEWSPAPER EXPENSES:

The reimbursement limit for the purchase of two newspapers by Officers was last revised with effect from 01-01-2014. Since then, more than twelve years have elapsed, during which newspaper prices have increased substantially across the country due to rising printing, distribution, and operational costs. In view of the significant escalation in newspaper prices, the existing reimbursement limit has become inadequate and no longer meets the actual expenditure incurred by Officers. Considering the prevailing market rates and the importance of newspapers in keeping Officers informed about economic, financial, and business developments, the reimbursement limit warrants a suitable revision. Accordingly, we demand that the existing reimbursement limit be **enhanced from Rs.300/- per month to Rs.500/- per month.**

7. REIMBURSEMENT OF ANNUAL MEDICAL CHECK-UP EXPENSES

In the present-day stressed work environment, periodic health check-ups have become essential for the early detection and prevention of lifestyle-related ailments / health risks. Regular preventive health assessments not only contribute to the well-being of employees but also help improve productivity, reduce absenteeism, and promote a healthier workforce. The reimbursement limit for Annual Medical Check-up Expenses for Officers was last revised w.e.f. the calendar year 2012. Since then, more than fourteen years have elapsed, during which the cost of diagnostic tests, preventive health screenings, and comprehensive medical check-up packages has increased substantially across the country.

The existing reimbursement limit of Rs.2,500/- per annum is grossly inadequate and does not meet even a portion of the cost of a standard comprehensive health check-up package currently available in the market. Further, considering the important role played by spouses in maintaining the overall well-being and stability of officers' families, it is appropriate to extend this benefit to include the medical check-up expenses of spouses within the prescribed reimbursement limit. In view of the substantial increase in healthcare costs and the need to promote preventive healthcare among employees and their families, we demand that the **reimbursement limit for Annual Medical Check-up Expenses be enhanced from Rs.2,500/- per annum to Rs.6,000/- per annum. We further demand that the medical check-up expenses of the spouse be made eligible for reimbursement within the enhanced overall limit.**

8. **Annual Home Town Travel (HTT) Facility for Officers Posted Away from their Native Place**

The Annual Home Town Travel (HTT) Facility was introduced in the year 2006 for Officers whose declared hometown is in South India and who are posted to branches/offices in North India located at a distance of 1,000 kilometres or more from their hometown. The objective of the scheme was to partly compensate the travel expenses incurred by Officers and their dependent family members, namely spouse and children ordinarily residing with them, for undertaking a visit to their hometown once a year.

The scheme served its purpose effectively at the time of its introduction, as a majority of the Officers in the Bank were recruited from South India and were posted to branches/offices in North India. However, the demographic composition of the workforce has undergone a significant transformation over the years.

Today, the Bank has a diverse workforce comprising Officers recruited from different parts of the country, many of whom are posted to locations far away from their declared hometowns.

The existing eligibility criteria have, therefore, resulted in an unintended disparity among Officers who are similarly placed in terms of distance from their hometowns but are not covered under the scheme solely due to geographical considerations. In the interest of equity, fairness, and employee welfare, it is imperative that the benefit of the scheme be extended uniformly to all eligible Officers.

Accordingly, **we demand that the Annual Home Town Travel (HTT) Facility be made available to all Officers who are posted to branches/offices situated at a distance of 1,000 kilometres or more from their declared hometown/native place, irrespective of the region in which they are posted.** Such an enhancement will not only provide much-needed support to Officers serving in faraway locations but will also promote inclusiveness, remove existing disparities, and boost the morale and motivation of Officers across the Bank.

9. **ONE MORE OPTION TO CHOOSE BETWEEN LFC-SCHEME ‘A’ & ‘B’**

The last option given to the officers to choose between LFC scheme ‘A’ and ‘B’ was in the year 2016. During the period many of our members have missed the opportunity to exercise their option and by default they were placed under Scheme ‘A’. Hence, we demand that one more option may be given to the officers to exercise their option to choose between Scheme ‘A’ and ‘B’.

CREDIT FACILITIES UNDER STAFF LOAN SCHEME

1. **ENHANCEMENT OF STAFF CLEAN LOAN FACILITIES**

At present, Officers are eligible for the following Staff Clean Loan facilities:

a) Loan of **Rs.3.00 lakh** on confirmation in service.

b) Additional loan of **Rs.4.50 lakh** after completion of **five years of service,** including the probationary period. **(Total Eligibility: Rs.7.50 lakh)**

The Staff Clean Loan limits were last revised with effect from 18-10-2022 pursuant to the Understanding dated 13-10-2022 entered into between the Management and the Organisation. Since then, there has been a substantial increase in the cost of living and a steep rise in the prices of consumer goods and services. Further, expenses relating to education, marriage, healthcare, household requirements, and other personal commitments have increased significantly over the years. In view of the prevailing economic conditions and the growing financial needs of Officers, the existing loan limits have become inadequate to meet the genuine requirements of members. As a welfare measure, it is necessary to enhance the Staff Clean Loan limits to provide meaningful financial assistance to Officers. Accordingly, as represented by the members, we demand that the Staff Clean Loan limits be revised as under:

(i) Loan of **Rs.4.00 lakh** on confirmation in service.

(ii) Additional loan of **Rs. 8.00 lakh** after completion of five years of service, including the probationary period. **(Total Eligibility: Rs. 12.00 lakh).**

(iii) Reduction in the existing rate of interest of 7.50% p.a.

2. ENHANCEMENT Of STAFF GOLD LOAN FACILITY

At present, Officers are eligible for a Staff Gold Loan up to **Rs.3.50 lakh,** repayable within 24 months, at an interest rate of **8.00%** per annum.

The Staff Gold Loan limit was last revised with effect from 15-09-2018 pursuant to the Understanding dated 11-09-2018 entered into between the Management and the Organisation. Since then, nearly eight years have elapsed, during which there has been a substantial increase in the market value of gold and gold ornaments. Simultaneously, the cost of living and expenditure on education, healthcare, marriage, housing, and other personal and family commitments has increased significantly due to inflation and rising prices.

The existing loan limit of Rs. 3.50 lakh has, therefore, become inadequate to meet the present-day financial requirements of Officers. Considering the enhanced value of gold pledged as security and the genuine needs of members, there is a strong case for a substantial upward revision of the Staff Gold Loan facility.

Accordingly, we demand the following improvements in the Staff Gold Loan Scheme:

a) Enhancement of the Staff Gold Loan limit from Rs. 3.50 lakh to **Rs.12.00 lakh.**

b) Reduction in the existing rate of interest of 8.00% per annum to make the facility more affordable and beneficial to Officers.

3. ENHANCEMENT OF STAFF COMPUTER LOAN FACILITY

The Staff Computer Loan Scheme was introduced with effect from 04-12-2000. At present, all confirmed Officers are eligible for the following Computer Loan facility:

a) Loan up to 90% of the cost of the computer/laptop along with accessories, subject to a maximum of Rs. 40,000/-.

b) Rate of Interest: 9.00% per annum.

c) Repayment Period: 60 months, with interest to be paid as and when debited.

More than two decades have elapsed since the introduction of the scheme. During this period, computer technology has undergone a remarkable transformation, with frequent advancements in hardware, software, processing capabilities, storage capacity, security features, and connectivity options. Consequently, the cost of computers, laptops, and related accessories has increased substantially, particularly for devices capable of meeting present-day professional and educational requirements.

In the current technology-driven and digital banking environment, computers and laptops have become indispensable tools for both professional and personal use. They are essential for continuous learning, skill enhancement, digital banking operations, online education, remote connectivity, and various day-to-day activities. However, the existing loan ceiling of Rs. 40,000/- is grossly inadequate to enable Officers to purchase modern computers or laptops with the specifications required in today's environment.

Considering the rapid technological advancements, increased costs, and the genuine requirements of Officers, we demand that the Staff Computer Loan Scheme be revised as under:

a) Loan up to 90% of the cost of the computer/laptop along with accessories, subject to a **maximum of Rs.1.00 lakh.**

b) Reduction in the existing rate of interest of 9.00% per annum to make the facility more affordable and beneficial to Officers.

c) Extension of the repayment period from **60 months to 84 months,** with interest to be paid as and when debited.

Further, we are happy to note that the Bank has been progressing steadily on several key business parameters, as reflected in the Audited Financial Statements **for FY 2025-26** and the unaudited financial results for the **quarter ended 30th June 2026. It is heartening to note that the Bank has recorded its highest-ever Net Profit during FY 2025-26 as well as in the first quarter of FY 2026-27, besides achieving a significant reduction in Net NPA. These remarkable achievements are the outcome of the collective commitment, dedication and relentless efforts of the entire workforce of the Bank.** We also note that the Bank has set ambitious business targets for the current financial year, which include:

- Aggregate Deposits of **Rs.1,25,000 Crore**
- Gross Advances of **Rs.1,00,000 Crore**
- Total Business of **Rs.2,25,000 Crore**
- Expansion of the Bank's Branch Network beyond **1,000 Branches**

We are fully confident that the employees at all levels will continue to contribute wholeheartedly towards accomplishing these ambitious business goals.

In the above circumstances, we earnestly request the Management to invite our Organisation for discussions at an early date with a view to arriving at an amicable settlement of the above demands. **We firmly believe that a favourable consideration of these demands will not only further strengthen the cordial industrial relations prevailing in the Bank but also greatly motivate the Officers to rededicate themselves towards achieving the Bank's business objectives** and contributing even more effectively to the sustained growth and prosperity of our beloved institution.

We, therefore, look forward to your positive response and an early bilateral meeting in this regard.

Thanking you,

Yours faithfully,

Sd/-
(Suresha Hegde S)
GENERAL SECRETARY

We note to inform the members about the developments in the matter.

With warm greetings,

Yours comradely,

(SURESHA HEGDE S)
GENERAL SECRETARY

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