

**KARUR VYSYA BANK
EMPLOYEES' UNION**

(Affiliated to AIBEA)



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Circular No. 38/40/2026

March 5th, 2026

Dear Comrades,

We append hereunder text of our letter dated 4.3.2026 written to our management in respect of New Breaches of Bipartite Settlements – Inconsistent Classification of Deputations and Allowances for the information of our Members.

With greetings,

Yours comradely,

**T. SEKAR
GENERAL SECRETARY**

KVBEU / 38 / 31 / 2026

March 4, 2026

To
The Chief Human Resources Officer
Karur Vysya Bank Ltd.
Central Office,
Karur.

Dear Sir,

Subject: New Breaches of Bipartite Settlements – Inconsistent Classification of Deputations and Allowances

The Karur Vysya Bank Employees' Union (KVBEU) wishes to draw your urgent attention to several long-standing employee concerns that remain unresolved despite our repeated representations, including written submissions and visits to the Central Office. These include the reckoning of Special Pay for Privilege Leave Encashment and the non-implementation of Ex-Gratia for Pensioners and Pension Options for Retirees. These issues pertain to critical aspects of bipartite settlements, and their prolonged delay is causing significant hardship to our members and retirees, who form the backbone of the bank.

In addition to these pending matters, we are now compelled to raise a new violation with the Human Resources Department concerning the inconsistent classification of deputation orders by the Trichy Divisional Office.

The Bipartite Settlement in India is a collective wage agreement signed between bank employees' unions and the Indian Banks' Association (IBA), governing salary revisions, allowances, and service conditions for workmen employees across the banking industry. Signed on behalf of workmen by the All India Bank Employees' Association (AIBEA) our parent organization the Settlement is binding on all concerned banks, including ours.

Under your leadership, our Bank has consistently implemented Bipartite provisions in letter and spirit. However, in recent months, certain deputation orders issued by the Trichy Divisional Office reflect an inconsistent interpretation of deputation allowances. Specifically, inter-area deputations are being reclassified as "Local Deputation (LDA)" without any factual change in geographical or administrative conditions.

It is incomprehensible how an All-India Bipartite Settlement can be reinterpreted in such a short span without formal amendment.

Settlement Provisions on Deputation Allowance

1. First Bipartite Settlement (19.10.1966) - Clause III (g)(B)(C)(D) addresses Halting Allowance.
2. Settlement dated 08.11.1973 - When movement occurs from one Corporation/Municipal/Panchayat area to another and the distance exceeds 5 kilometres, workmen employees are entitled to Full Diem (Full Bata).
3. 12th Bipartite Settlement – Clause 18 - In centres with a population of 12 lakhs and above, within the same Municipal/Corporation limits, Full Diem is payable only if travel exceeds 20 kilometers.

Clarificatory Position

- Inter-Area Deputation (Different Municipal/Corporation/Panchayat jurisdictions). Beyond 5 km – Full Diem payable (08.11.1973 Settlement).
- Within Same Municipal/Corporation Limits** (Population ≥ 12 lakhs). Beyond 20 km – Full Diem payable (Clause 18 – 12th BPS).

The 12th BPS provision applies specifically to movements within the same municipal limits in large population centres. It does not override the earlier principle for inter-area deputations. Thus, the 5 km rule continues to govern deputations between different local body jurisdictions.

Issue in Trichy Divisional Office

Deputation orders from the Tiruchirappalli (Trichy) Divisional Office were issued strictly in accordance with settlement provisions for a considerable period. Recently, however, DO officials have broadly classified deputations into two categories above and below 20 km without distinguishing between:

- Inter-area movements;
- Separate Municipal/Corporation jurisdictions and Panchayat distinctions.

As a result, deputations beyond 5 km between separate local bodies are now being treated as Local Deputation (LDA), in direct contravention of settlement norms. Despite detailed explanations submitted by the Union, this erroneous interpretation persists.

Case Details

S.No	Deputation Order No	Deputation From	Deputation To	Remarks
1	KVB/DO01290/DEP/6440/2025	Mannachanallur	Lalgudi	Deputation Issue Order Correct
2	KVB/DO01290/DEP/10333/2025	Mannachanallur	Lalgudi	Deputation Issue Order Correct
3	KVB/DO01290/LDA/1348/2026	Mannachanallur	Lalgudi	Deputation Issue Order is Incorrect
4	KVB/DO01290/LDA/1879/2026	Mannachanallur	Lalgudi	Deputation Issue Order is Incorrect
5	KVB/DO01290/DEP/10849/2025	Mannachanallur	Trichy Srinivasa Nagar	Deputation Issue Order is Incorrect
6	KVB/DO01290/LDA/1027/2026	Mannachanallur	Trichy Chest	Deputation Issue Order is Incorrect
7	KVB/DO01290/LDA/1164/2026	Mannachanallur	Trichy Srinivasa Nagar	Deputation Issue Order is Incorrect
8	KVB/DO01290/LDA/1349/2026	Mannachanallur	Trichy Chest	Deputation Issue Order is Incorrect

We urge your immediate intervention to rectify these breaches and ensure strict compliance with the Bipartite Settlements. Not only in this division, but other Divisional Offices also have recently followed suit with similar violations.

We request you to advise the Trichy Divisional Office to issue modified Deputation Orders for the above and sanction necessary Diem Allowance instead of Local Deputation Allowance. Continued inaction will deprive our hardworking staff of their rightful benefits.

Thanking you,

Yours faithfully,

Sd/-
T. Sekar
General Secretary