KARUR VYSYA BANK EMPLOYEES' UNION
(Affiliated to AIBEA)
CHENNAI

KARUR VYSYA BANK OFFICERS'ASSOCIATION
(Affiliated to AIBOC)
KARUR

November 17, 2026

Dear Comrades,

We append below our letter dated 12.11.2026, expressing our concerns and **dissatisfaction with the Management's reply (Ref. No. HRD/GEN/OFLT-27058/2026 dated 09.11.2026), and seeking specific clarifications and time-bound action on the demands jointly raised by KVBOA and KVBEU**, for the information of all members.

Yours Comradely,

T.Sekar
General Secretary

S.Rengan
General Secretary

November 12, 2026

To
The Managing Director & CEO
The Karur Vysya Bank Ltd.
Central Office – Karur

Sir,

Sub: Representation expressing our concerns and dissatisfaction over the Management's reply Ref. No. HRD/GEN/OFLT-27058/2026 dated 09.11.2026 – Request for specific clarifications and time-bound action on the demands raised jointly by KVBOA and KVBEU.

At the outset, we wish to express our disappointment and dissatisfaction with the Management's reply dated 09.11.2026 to the representations and demands jointly submitted by KVBOA and KVBEU.

While we appreciate the Management's initiative in holding discussions with our representatives and acknowledging the issues raised, we regret to observe that the response largely reiterates the existing position without offering concrete solutions, firm commitments or definite timelines for resolution.

Several important matters concerning employees' career progression, financial benefits, service conditions, welfare and working environment remain unresolved.

Some significant demands have either not been adequately addressed or have not found mention in the Management's response.

We therefore wish to reiterate our concerns and seek specific clarifications and appropriate action on the following matters.

I. Important Issues Requiring Immediate Attention

1. Adequate Recruitment of Customer Service Associates and Officer cadres

Pursuant to the conciliation proceedings before the Assistant Labour Commissioner (Central), Pondicherry, in 2023, and the subsequent discussions culminating in the MOU dated 30.01.2024, the Management had agreed to examine clerical recruitment under a revised format with additional responsibilities. Following the 12th Bipartite Settlement dated 08.03.2024, the designation of Clerk was redesignated as Customer Service Associate (CSA), incorporating additional responsibilities. However, adequate recruitment has not materialised.

Further, as per minutes dated 23.04.2025 between OA and Management, It is stated that both the parties will have a dialogue on the officer's recruitment under IBA. But, management did not open a discussion for the recruitment of officer-cadre employees under the IBA. Further, in the meeting with the CGMs and CHRO held on 13.10.2026, it was informed that the Bank is planning to proceed with balanced recruitment under both the IBA and CTC models. During the meeting itself, we raised our objection and informed them that there is no signal from management regarding balanced recruitment under both the IBA and CTC models. Almost 10 years have passed without IBA recruitment. Management is continuously recruiting CTC employees only.

2. Minimum Staff Strength in Branches

Several branches are functioning with only two staff members, resulting in considerable operational difficulties, particularly in joint custodianship and key rotation during leave, meetings and other absences. We request the Management to ensure adequate staffing by posting a minimum of two clerical staff in such branches, wherever required, to safeguard operational convenience, security and business continuity.

Further, in many branches there are no Office Assistants for several years. The work of the Sub-staff is being carried out by the Customer Service Associates and Officers in the branches. This further adds to the workload of Customers Service Associates and Officers.

3. Uniform Implementation of Special Pay to Eligible CSAs

Special pay is being extended to certain Senior CSAs entrusted with safe custody of keys and joint custodianship responsibilities. However, the benefit has not been

uniformly extended across all eligible branches. We request the management Uniform implementation of special pay to all eligible CSAs performing such duties. Further, their accountability should be clearly defined and restricted to cash-related responsibilities as envisaged under the 12th Bipartite Settlement.

4. Violation settlement Agreement – Circular No.29/2025 (FIT Norms)

Several newly opened branches are functioning without CSAs, with CSA-related duties being assigned to BSSEs/BSSMs. HRD has also permitted these employees to hold safe keys, act as joint custodians and perform Funds in Transit (FIT) duties. This is in violation of the 1989 Settlement Agreement and the Bank's Book of Instructions, which restrict such responsibilities to CSAs, Officers and Managers. The Union therefore demands the immediate withdrawal of Circular No. 29/2025 and the issuance of a consolidated circular strictly in compliance with the settlement provisions.

5. Monetary Benefits

The Management has not considered the revision or enhancement of various monetary benefits and allowances for several years, nor has it considered the introduction of various new allowances as proposed in our demands, despite the rising cost of living and increasing financial commitments of employees. The monetary benefits have remained unchanged for a long time despite the Bank's growth and increased profitability. Hence, they should be suitably enhanced in line with the Bank's present financial performance. We request the Management to review and suitably enhance the existing benefits and introduce the proposed new allowances without further delay, with a definite timeline for implementation.

II. Specific Concerns and Clarifications on the Management's Reply

1. Proper Institutional Procedure for Discussions with Unions and Associations

All employee-related matters should, in future, be discussed through the established institutional forum involving the Employees' Union and Officers' Association, with proper minutes recording the deliberations and decisions. Separate letters to the respective organisations should not substitute for this formal consultative process. Proper minutes of the discussions, including those of the last two meetings held with the Management, with the union and association should be duly recorded.

2. Reduction in Interest Rates on Staff Loans

While we acknowledge the proposal to reduce interest rates on staff loans, we request the Management to extend the benefit to all categories of staff loans rather than restricting it to housing and vehicle loans. We further request the Bank to bear the applicable income tax liability on the perquisite value arising from such concessional interest, so that employees can enjoy the full benefit without any additional tax burden.

3. Enhancement and Full Implementation of Festival Advance

We wish to bring to the Management's attention that Permanent Part-time Employees (PTEs) have been excluded from the Festival Advance benefit, and the revised benefits have not yet been fully implemented. We therefore request the Management to extend the enhanced Festival Advance benefit to PTEs as well and ensure its uniform implementation for all eligible employees without any discrimination.

4. IBA Recruitment and Career Progression

While we note the Management's explanation regarding need-based recruitment and its prerogative to create new positions, our primary concern is the protection of existing employees' promotional avenues and long-term career prospects. The assurance that existing employees' promotional opportunities will not be adversely affected needs to be supported by a clear roadmap. We request the Management to provide specific details on the proposed recruitment structure and explain how adequate promotional opportunities will be safeguarded for existing officers and employees.

Recruitment under IBA was time tested in our bank and it has given several Branch heads and Executive to our bank. Today, we have good team of Branch heads and Executives because of IBA recruitment policy adopted by our bank earlier. The experienced and trained staffs are asset to the bank, but in present scenario as the CTC employees not staying with us for a long period. This leads to our members has to train the fresher again and again in the branches and the branches has become a training center for the CTC employees in our bank. Even some departments at central office itself facing the issue.

5. Ex-gratia to All Employees Without Performance-linked Restrictions

We are disappointed that the Management has not favourably considered our demand for extending ex-gratia benefits to all eligible employees without restrictive individual performance conditions. The Bank's growth and achievements are the collective result of contributions from employees across all cadres, branches and departments.

Members are already dissatisfied with the present ex-gratia payment to officers. Officers who are directly responsible and contributing for business growth and compliance are receiving a meagre amount of ex-gratia, or in some cases no ex-gratia, subject to several gating conditions. In contrast, executives working in back-office functions are reportedly receiving substantial ex-gratia payments without similar gating conditions.

We once again request the Management to extend ex-gratia benefits uniformly to all eligible officers and workmen, recognising their collective contribution to the Bank.

6. ESOS Benefits to All Employees

The Management's response continues to emphasise merit-based distribution without adequately addressing our demand for wider employee participation. Since the Bank's progress is the result of collective efforts across all levels, we request the Management to reconsider the existing eligibility criteria and extend ESOS benefits to all employees on an equitable basis.

7. Conversion of CTC Employees into IBA Category

The Management's reply does not provide any definite decision or roadmap regarding the conversion of CTC employees into the IBA category. Considering their continued contribution to the Bank, their service conditions, job security, career progression and future benefits deserve serious consideration. We request the Management to undertake a structured review and communicate its clear position, including the feasibility and timeline for extending IBA status to eligible CTC employees.

8. Ex-gratia to Pensioners and Rejoining Option

The reference to IBA's communication and the practices followed by other private sector banks does not provide any concrete assurance regarding the extension of ex-gratia benefits to our pensioners**.** Since, KVB is one of the parties to the 9th joint Note and 12th bipartite settlement, we request the Management to take an independent and favourable view of this matter, keeping in mind the contributions made by retired employees during their service. Further, our demand for providing a rejoining option also remains unanswered. We request separate and specific clarifications on both matters, along with the action proposed by the Management.

9. Staff Welfare – Leased Accommodation and Allowances

The rent in all areas has increased. Normally, our bank revises the lease rent once in every three years. However, our bank revised the lease rent in 2022 after a period of six years. All other banks, including our peer banks, provide lease rent in accordance with market rates, whereas our lease rent is nowhere near the rates offered by peer banks or the prevailing market rate. Hence, we request you to kindly consider and increase the lease rent immediately, without further delay, at par with industry standards.

10. Operational and Infrastructure-related Issues

We appreciate the Management's acknowledgement of the operational difficulties highlighted by our organisations and the discussions held with the respective vertical heads. However, the statement that most issues relating to Agri Jewel Loans, ABG, OD, IMG and other operational matters have been resolved does not adequately explain the actual status of the grievances raised. Further, branches are still facing the operational issues which were already summited to management. The Management

had also indicated that a detailed communication on the progress and developments would be issued shortly. We request that the same be shared with both organisations without further delay, clearly specifying:

- Issues resolved and corrective measures implemented.
- Issues pending resolution and reasons for the delay.
- Proposed action to address outstanding operational and system-related difficulties.
- Definite timelines for implementing permanent solutions.

We also reiterate that infrastructure deficiencies in certain branches require immediate attention, as they adversely affect employees' working conditions and customer service.

11. Recruitment of Office Assistants from Temporary Panel

The Management has failed to effectively implement the provisions of the 1990 Settlement since 2017, despite the directions issued by the Assistant Labour Commissioner in the 2023 ID proceedings. Out of 90 eligible candidates, only 10 have been recruited, leaving the remaining 80 candidates unaccommodated. Such partial implementation defeats the very purpose of the Settlement and amounts to mere token compliance. We therefore demand the immediate recruitment of all remaining eligible candidates in accordance with the Settlement provisions.

III. Our Expectations and Request for Time-bound Action

We wish to reiterate that the demands raised jointly by KVBOA and KVBEU represent genuine and long-pending concerns of employees across the Bank. Our objective is to secure meaningful improvements in service conditions, employee welfare, career progression and the overall working environment.

While we appreciate the Management's stated commitment to the principle of "Employee First" and harmonious industrial relations, such commitments must translate into tangible decisions, effective implementation and measurable outcomes.

We sincerely hope that the Management will view this representation in the right spirit and adopt a constructive, positive and employee-oriented approach. We expect a comprehensive response supported by specific decisions, clear commitments and time-bound action, rather than general assurances, so that the legitimate concerns of employees are addressed without further delay.

Thanking you,

Yours faithfully,

Sd/-
T.Sekar
General Secretary

Sd/-
S.Rengan
General Secretary