



Circular No.016-2017-BC-RBD-02

Date: 11-01-2017

PERMANENT UTILITY

EXTENSION OF CREDIT FACILITIES UNDER DEMAND LOAN AND TWO WHEELER LOANS TO WORKMEN EMPLOYEES WHO HAVE COMPLETED ONE YEAR SERVICE IN THE BANK

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We are pleased to inform you that the Board of Directors in its meeting held on 29-12-2016 have accorded permission to extend credit facilities to workmen employees who have completed one year service in the Bank – Demand loan ₹75000/- for personal credit requirements, vehicle loan of ₹60000/- for purchase of new two wheeler.

The scheme guidelines permitted by the Board and FAQs of the scheme are furnished in Annexures.

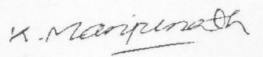
Sl. No.	Annexure	Details of Annexure
1	Annexure - I	Demand loan to workmen employees under SyndSaral scheme
2	Annexure - II	Two wheeler loan to workmen employees under SyndVahan scheme
3	Annexure - III	MIS path to extend Demand loan to workmen employee under SyndSaral Scheme.
4	Annexure - IV	MIS path to extend Two Wheeler loan to workmen employees under SyndVahan Scheme.
5	Annexure - V	Frequently Asked Questions (FAQ) with Clarifications.

Workmen employees who have completed one year of service in the Bank are eligible to avail the loan under SyndSaral and SyndVahan Schemes, with Rate of Interest at one year MCLR + 0.50% p.a. All eligible Workmen employees are permitted to avail the loan subject to compliance of the terms and conditions as mentioned in the respective scheme guidelines.

Branch Managers shall ensure that the loans extended to Workmen employees remain in regular status and under no circumstances, debit balance shall be allowed in SB accounts for repayment of loan installments. Branches/Sanctioning Authorities should strictly adhere to the norms prescribed for extending the credit facilities under the Schemes.

Clarification required, if any, on this Circular may be sought from **RETAIL BUSINESS DEPARTMENT** at Corporate Office, Bangalore, through the respective RO, as per extant guidelines.

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(K MANJUNATH)
GENERAL MANAGER

ANNEXURE - I**DEMAND LOAN TO WORKMEN EMPLOYEES UNDER SYNDSARAL SCHEME**

Purpose	To meet any genuine personal credit requirements.
Nature of facility	Demand Loan
Eligibility	All confirmed Workmen employees who have completed one year of service in the Bank (inclusive of probation period).
Quantum	Maximum ₹ 75000/-
Rate of Interest	One year MCLR + 0.50% p.a.
Repayment	Not exceeding 60 EMI
Cutback	60 % (The Components of deduction to be considered for cutback calculation are Provident Fund-both statutory and voluntary, Income Tax / Professional Tax, Insurance premium, deductions towards all loans including the proposed DL and other deduction are to be taken into account for arriving at cutback of 60 %.)
Guarantee	Waived
Service Charges	Waived
Sanctioning Authority	For workmen working in the Branches, respective Branch Head. For workmen working at Administrative Offices, Head of the Salary disbursing Branch.
Other Terms and conditions	All other terms and conditions of SyndSaral Scheme shall be complied. <ul style="list-style-type: none"> • Relaxations and deviations are not permitted. • No fresh/renewal of DL will be considered before completion of 12 months. • Staff is not eligible for loan under the scheme if they have availed loan under Staff DL scheme. • Loan may be converted to DL /ODC under Staff Scheme on fulfillment of eligibility criteria.

ANNEXURE - II**TWO WHEELER LOAN TO WORKMEN EMPLOYEES UNDER SYNDVAHAN SCHEME**

Purpose	Purchase of New Two Wheeler
Eligibility	All confirmed Workmen employees who have completed one year of service in the Bank (inclusive of probation period)
Quantum	₹60000/- or 90% of On Road price (inclusive of Insurance, Road Tax, Registration charges) whichever is less.
Rate of Interest	One year MCLR+ 0.50 % p.a.
Cutback	60% (The Components of deduction to be considered for cutback calculation are Provident Fund-both statutory and voluntary, Income Tax / Professional Tax, Insurance premium, deductions towards all loans including the proposed Vehicle loan and other deduction are to be taken into account for arriving at cutback of 60 %.)
Repayment	Maximum of 60 months
Guarantee	Waived
Service Charges	Waived
Sanctioning Authority	For workmen working in the Branches, respective Branch head. For workmen working at Administrative Offices, Head of the Salary disbursing Branch.
Other Terms and conditions	All other terms and conditions of SyndVahan Scheme shall be Complied. <ul style="list-style-type: none"> • Relaxations and deviations are not permitted. • Staff is not eligible for loan under the scheme if they have availed two wheeler under Staff Vehicle scheme. • The liability under SyndVahan Scheme may be converted to Vehicle loan under Staff Vehicle loan Scheme on fulfillment of eligibility criteria.

ANNEXURE - III

SYNDSARAL TO WORKMEN EMPLOYEES - DETAILS OF THE MIS FLOW

Sl. No.	MIS CLASS	LEVEL -I	LEVEL -II	LEVEL -III
1	SECTOR	Non Priority	Personal loans	
		Staff	Others	
2	BSR CLASSIFICATION	Others → Personal, Community, Social, Service Activities	Personal Loans- staff Personal loans – Individual other than staff	Staff : Other personal loans to staff members (include loans for domestic consumption, medical expenses, etc.," Others "Other personal loans - other than to staff (include loans for domestic consumption, medical expenses,"
3	BASEL ASSET CLASSIFICATION	Consumer loans and Credit Card receivables	Others	
4	SANCTION DETAILS	Branch	Branch Manager -I	
			Branch Manager -II	
			Branch Manager -III	
			Chief Manager	
			Asst General Manager	
			Dy General Manager	
		Regional Office	RLCAC –I	
			RLCAC -II	
5	SYNDScheme	SyndSaras	Synd Saras Salaried	SyndConnect
		SyndSaras	Synd Saras Salaried	Others
		SyndSaras	Synd Saras Salaried	Staff
6	INTERNAL RATING	Select applicable rating. Synd 1-2-3-4- 5-6-7-8		

ANNEXURE - IV

SYNDVAHAN –TWO WHEELER TO WORKMEN EMPLOYEES - DETAILS OF THE MIS FLOW

Sl. No.	MIS CLASS	LEVEL –I	LEVEL –II	LEVEL -III
1	SECTOR	Non Priority	Personal loans	
		Staff	Others	
2	BSR CLASSIFICATION	Others - Personal, Community, Social, Service Activities	Personal loans – Individual other than staff Personal Loans- staff	Others Loans for purchase of Four wheeler Vehicle and Two-wheelers by individuals for personal use. Staff : Loans for purchase of Four wheeler Vehicle and Two-wheelers by individuals for personal use.
3	BASEL ASSET CLASSIFICATION	Consumer loans and Credit Card receivables	SyndVahan	
4	SANCTION DETAILS	Branch	Branch Manager -I	
			Branch Manager -II	
			Branch Manager -III	
			Chief Manager	
			Asst General Manager	
			Dy General Manager	
		Regional Office	RLCAC –I	
			RLCAC -II	
5	SYNDScheme	SyndVahan	Two wheeler	General
				Staff
		SyndVahan	Four wheeler	General
				Staff
6	INTERNAL RATING	Select applicable rating. Synd 1-2-3-4-5-6-7-8		

ANNEXURE - V

Frequently asked Questions (FAQ) with Clarifications

- Q -1) If the workmen employee had availed credit facilities under Staff schemes, whether he / she can avail Demand loan / Two wheeler loan under SyndSaras and SyndVahan schemes respectively?**
- A) Eligible employees can avail either under Staff DL / Vehicle loan or under the new scheme and not together.
- Q -2) Whether workmen employee can avail both Demand loan and Two wheeler loan under SyndSaras and SyndVahan schemes simultaneously?**
- A) Yes, workmen employee can avail both Demand loan and Two wheeler loan under SyndSaras and SyndVahan schemes simultaneously subject to compliance of cutback norms.
- Q -3) Whether Workmen employees are eligible Demand Loan & Two wheeler loan under SyndSaras and SyndVahan Scheme respectively?**
- A) Yes. All confirmed Workmen employees who have completed one year of service in the Bank (Inclusive of probation period)
- Q -4) Whether Rate of interest charged to workmen employees is funded or floating interest under SyndSaras and SyndVahan Schemes?**
- A) Rate of interest charged to workmen employees is floating interest only at one year MCLR + 0.50% p.a.
- Q -5) Whether relaxations / deviations are permitted for loans sanctioned to workmen employees under these schemes?**
- A) Relaxations and deviations are not permitted.
- Q -6) What is the maximum amount of Demand Loan and Rate of interest to workmen employees under SyndSaras Scheme?**
- A) Workmen employees can avail Demand loan to a maximum of ₹75000/- at One year MCLR + 0.50% p.a. under SyndSaras Scheme.
- Q -7) What is the maximum amount of Two wheeler loan and Rate of interest to workmen employees under SyndVahan Scheme?**
- A) Workmen employees can avail Two wheeler loan to a maximum of ₹60000/- at One year MCLR + 0.50% p.a. under SyndVahan Scheme.
- Q -8) Whether sanctioning authority can fix repayment period less than 5 years?**
- A) Yes, Branches / Sanctioning authority is empowered to fix repayment period ranging from 2- 5 years without moratorium period based on surplus funds available for consumption, personal needs etc.,

- Q -9) Whether sanctioning authority can fix repayment period more than 5 years?**
- A) Repayment period shall **not more than 60 EMIs**.
- Q -10) Whether Rating is required? If yes, what type of Rating shall be taken while sanctioning the proposal?**
- A) Rating is not required under the scheme. Holistic method Synd1 for Staff.
- Q -11) Whether quantum of Demand Loan is linked to completed years of service?**
- A) No. The quantum of Demand Loan not linked to completed years of service but maximum amount of Demand loan is ₹75000/- subject to compliance of cutback stipulations
- Q -12) Who is the sanctioning authority for sanction of Credit facilities to workmen employees under these schemes?**
- A) If the Workmen working in the Branches, respective Branch head and workmen working at Administrative Offices, Head of the Salary disbursing branch can sanction the facilities under these schemes.
- Q -13) Whether Branch / Sanctioning authority shall follow cutback norms under these Schemes?**
- A) Yes. 60% cutback norms shall be complied. The Components of deduction to be considered for cutback calculation are Provident Fund-both statutory and voluntary, Income Tax / Professional Tax , Insurance premium, deductions towards all loans including the proposed Vehicle loan/Demand loan and other deduction are to be taken into account for arriving at cutback of 60 %. Relaxation shall not be permitted.
- Q -14) Whether Second hand Two wheeler can sanction to workmen employees under SyndVahan Scheme?**
- A) Credit facility shall be sanctioned only to purchase of New Two Wheeler.
- Q -15) What is the minimum period for which the workmen employee can enhance / renew the Demand Loan under SyndSaraI Scheme?**
- A) No fresh/renewal of DL will be considered before completion of 12 months.
- Q -16) Whether workmen employee can convert the Demand Loan / Two wheeler loan availed under SyndSaraI and SyndVahan schemes to Staff DL /ODC and staff vehicle scheme respectively?**
- A) Yes. Liability under Demand loan may be converted to DL /ODC under Staff Scheme on fulfillment of eligibility criteria and the liability under SyndVahan Scheme may be converted to Vehicle loan under Staff Vehicle loan Scheme on fulfillment of eligibility criteria