



# Syndicate Bank

Head Office: Manipal - 576 104 (Karnataka)

**Organisation & Methods Division**

Circular No. 098-2009-BC-RMMD-18

Date: 23-04-2009

## PERMANENT UTILITY

### MODIFICATION IN DEMAND LOAN AND VEHICLE LOAN SCHEMES FOR PIGMY AGENTS OF THE BANK

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Attention of the branches/offices is invited to circulars No.132-2002-BC dated 01-08-2002 and No.063-2008-BC dated 06-03-2008 wherein details of Demand Loan and Vehicle Loan schemes for Pigmy Agents of the Bank are furnished.

On a review of the above schemes, it has been decided to modify the Demand Loan and Vehicle Loan schemes for Pigmy Agents as under, **with immediate effect**, the details of which are furnished below:

#### I. Demand Loan:

	Existing Guidelines	Modified Guidelines
<b>Eligibility</b>	Not specified	<b>Pigmy Agents having completed minimum three years service only are eligible.</b>
<b>Quantum</b>	15 months' average commission and income from other sources like insurance/postal deposits agency etc. Proof of income from other sources such as certificate issued by insurance/postal authorities, ITAO, IT Return duly acknowledged by Income Tax department, etc, shall be obtained. Where the Pigmy Agent is not an Income Tax assessee, Branch Manager must fully satisfy himself about the other income declared by the Pigmy Agent, before sanctioning the loan by verifying the necessary documentary proof thereof. Other types of income, which are not verifiable through documentary proof such as agricultural income shall not be taken into account for this purpose.	<b>12 months' average commission and income from other sources like insurance / postal deposits agency etc. or Rs.2.50 lakhs, whichever is less.</b> Proof of income from other sources such as certificate issued by insurance/postal authorities, ITAO, IT Return duly acknowledged by Income Tax department, etc, shall be obtained. Where the Pigmy Agent is not an Income Tax assessee, Branch Manager must fully satisfy himself about the other income declared by the Pigmy Agent, before sanctioning the loan by verifying the necessary documentary proof thereof. Other types of income, which are not verifiable through documentary proof, such as agricultural income shall not be taken into account for this purpose.

All other conditions as mentioned in circular No.063-2008-BC dated 06-03-2008 shall remain the same.

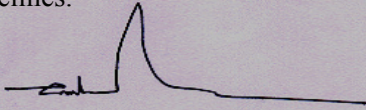
**II. Vehicle Loan:**

	<b>Existing Guidelines</b>	<b>Modified Guidelines</b>
<b>Eligibility</b>	Not Specified	<b>Pigmy Agents having completed minimum three years service only are eligible.</b>
<b>Quantum</b>	New / Old four wheeler: Pigmy Agents having minimum annual income of Rs.1.00 lakh from all sources are eligible for 90% of on road price of the vehicle including road tax, insurance, registration charges or 3 times annual income or Rs.3.00 lakhs, whichever is less, for new vehicle and 70% of the market value of car (to be valued by approved valuer) or 3 times the annual income or Rs.1.50 lakhs, whichever is lower, for second hand of not more than 5 years old.	New / Old four wheeler: Pigmy Agents having minimum annual income of Rs.1.00 <u>lakh</u> from all sources are eligible for <u>90% of on road price of the vehicle including road tax, insurance, registration charges</u> or 3 times annual income or Rs.3.00 lakhs, whichever is less, for <u>new vehicle</u> and 70% of the market value of car (to be valued by approved valuer) or 3 times the annual income or Rs.1.50 lakhs, whichever is lower, <u>for second hand of not more than 5 years old.</u> <b>Offices/Branches shall obtain and verify other income by way of Income Tax Return duly acknowledged by Income Tax Department.</b>

All other terms and conditions applicable to Vehicle Loans as per circular No.132-2002-BC dated 01-08-2002 shall remain the same.

Clarifications required, if any, on this circular may be sought from **CREDIT POLICY AND PROCEDURES DIVISION - RISK MANAGEMENT & MONITORING DEPARTMENT** at Corporate Office, Bangalore, through respective RO, as per extant guidelines.

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**(T MURALIDHARAN)**  
**GENERAL MANAGER**