



भारत सरकार का उपक्रम A Govt. of India Undertaking  
प्रधान कार्यालय: मणिपाल (कर्नाटक) / Head Office: Manipal - 576 104 (K)

संगठन एवं पद्धति प्रभाग / ORGANISATION & METHODS DIVISION

eCircular

Circular No.162-2010-BC-PD-41-SWD

Date: 03-07-2010

**PERMANENT UTILITY**

**CLEAN OVERDRAFT FACILITY TO EMPLOYEES OF THE BANK**

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In super session of all our earlier circulars on the above subject, we are pleased to issue fresh guidelines with enhanced limits, as detailed in the Annexure.

As one time measure, all eligible employees are now permitted to avail the enhanced limits in cancellation of existing limit, if any, irrespective of the tenure of the existing ODC limit.

Clarifications required, if any, on this circular may be sought from **PERSONNEL DEPARTMENT – STAFF WELFARE DIVISION** at Head Office, Manipal, through respective RO, as per extant guidelines.

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(S.S. Shet)

**GENERAL MANAGER (P)**

**Annexure-1****CLEAN OVERDRAFT FACILITY TO EMPLOYEES OF THE BANK**

<b>1. Eligibility</b>	All full time and confirmed Officers/workmen employees who have completed 5 years of service in the Bank. (Part time employees are not eligible for overdraft facility).
<b>2. Purpose</b>	To meet genuine needs of the employees and shall not be used for speculative purposes.
<b>3. Quantum</b>	At the rate of one and half months' gross salary (For Officers: BP+DA+FPP+PQP and for Workmen: BP+DA+ PQP +FPP + Graduation pay + Special Pay/Allowance of permanent nature) for each completed year of service subject to maximum of 15 months' gross salary or the following whichever is least: Officers : Rs.5.00 lacs Clerks : Rs.3.50 lacs Sub-staff (other than Part time employees) : Rs.1.75 lac
<b>4. Rate of interest</b>	Base Rate + 2.75% p.a. (compounded at monthly rests) <b>Note:</b> The above rate is applicable to ODC limits arranged/renewed after 01.07.2010. Rate of Interest of PLR-1% p.a. to continue for ODC limits arranged upto 30.06.2010.
<b>5. Cut back</b>	Deduction towards all loans (including interest portion wherever EMI is stipulated), EPF (excluding additional EPF), EPF loan instalment, Income Tax, Professional Tax and other statutory deductions including recovery as per orders of a competent court and as per demand notice from a co-operative credit/thrift society, if any, shall not exceed 60% of gross salary. (Take home salary should not be less than 40% of salary)  It is clarified that gross salary for the purpose of deciding the limit of 60% on cut back would be Basic Pay, dearness allowance, special pay/allowance, City Compensatory Allowance, House Rent allowance, Project Area allowance and other allowances which are admissible to an employee regularly and not on temporary basis. <b>Note:</b> a) In the case of officer employees provided with Bank owned/leased quarters, HRA component will be the notional HRA as admissible under Regulation 22 (2) (b) of Syndicate Bank (Officers') Service Regulations, 1979. b) If the officer is occupying his own house and claiming HRA at 150% of eligible HRA, in such cases HRA component will be restricted to 100% only as provided under the above Regulation for computation of gross salary.
<b>6. Enhancement/ Renewal</b>	The limit shall be valid for 2 years and got renewed thereafter. Enhancement of limit on account of annual increment, promotion, etc. will be considered only at the time of renewal of the existing limit.
<b>7. Sanctioning Authority</b>	1. For staff members working in the branches, respective Branch Head. 2. For staff including Executives in administrative offices, the Heads of the Branch which disburses their salary. 3. For Branch Heads (Small/Medium/Large/VLB/ELB), CM or AGM in RO designated by the respective RM/GM. (However sanctioning authority shall not sanction ODC facility to self but shall submit application to the next higher authority for sanction).

**GENERAL TERMS AND CONDITIONS:**

1. Period of service shall mean number of years of completed service (excluding the period of LOP/UAA) as on the date of applying for ODC facility. Period of service includes both the training and probationary periods. (In case of ex-servicemen their previous service in the ratio of 4:1 can be clubbed to the actual service in the bank for reckoning the eligibility.)
2. All secured loans including employees' Housing Loan and Conveyance Loan may continue, subject to cut back stipulations as these loans are fully secured.
3. Employees as and when they become eligible, can avail only the ODC facility under this scheme and no DLs shall be admissible in their case. However once an employee avails the ODC facility, all outstanding balances under the Demand Loan, beyond eligibility demand loan, furniture loan (as per circular No.117-2000-BC) and computer loan accounts, if any, shall be closed in full with up-to-date interest from out of the proceeds of ODC facility and they shall not be entitled to apply/avail loan again under the above mentioned schemes.
4. An employee under suspension pending disciplinary proceedings/ prosecution or against whom major penalty proceedings/disciplinary proceedings are contemplated/initiated for gross misconduct will not be eligible for the facility till completion of the proceedings. The sanctioning authority shall obtain clearance from the I R Cell at the respective RO/HO, as the case may be, before sanctioning the facility.
5. The tenure of the ODC facility shall be for two years and got renewed thereafter. There will be no enhancement in the limit during the period of two years on account of promotion, increase in pay due to annual increment etc. or any other reason except on account of Industry level Wage settlement. Such enhancement if applied for will be prospective. The facility shall be reviewed at annual intervals. The account shall not be allowed to slip to NPA for non-renewal of the limits.
6. The sanctioned limit shall stand frozen at the level outstanding as on the date an employee is placed under suspension/dismissed/compulsorily retired. However in case of suspended employees, subsistence allowance shall be credited to ODC account only, and interest on ODC shall be recovered every month. Operation will be allowed in this OD account in consultation with HO: Staff Welfare Division once suspension is revoked and employee resumes duties.

The General Manager (P) may direct the exclusion of an employee from being eligible for the ODC or the recall of facility/freezing of limit, as the case may be, in any case where extension/continuation of the facility is found untenable on account of the conduct of the employee, such as habitual unauthorised absence with consequent loss of pay and allowances, default in repayment of dues to co-operative credit/thrift societies, banks/financial institutions/credit card companies etc.

7. It will be mandatory for the employees concerned to get their salary and other benefits payable to them by the Bank credited only to the clean overdraft account. Branch Manager shall not allow exceeding in the employees' ODC a/c at any point of time. Employees have to maintain sufficient balance in their ODC account to service the monthly interest due on the ODC account and all other liabilities. Any violation in this regard will be viewed seriously including review of the continuation of said facility besides imposition of penal interest.
8. The employees have got an option to withdraw within 12 months before the date of retirement on superannuation, upto 90% of employees contribution to the PF with interest thereon less EPF loan, if any, and the same may be utilised for reduction of the ODC liability.
9. The employee shall execute an undertaking:
  - a) That he/she will not utilise the money for speculative activities.
  - b) That he/she shall close the liability existing on the date of cessation from the services of the Bank whether on superannuation or otherwise and authorise the Bank to adjust his/her dues from the terminal benefits and other monies payable to him/her. The proforma letter of undertaking is given in Annexure-2, which on execution shall be retained with the loan documents.

10. In case the liability under ODC continues beyond one month from the date of his/her cessation from service or settlement of his/her terminal benefits whichever is earlier, the same shall be treated as clean loan facility as applicable to general public and interest at applicable rate plus penal rate at 2% shall be charged on the said ODC a/c.
11. Being a facility to staff members, Service charges, documentation charges, ledger folio charges, cheque book charges need not be collected on ODC account.
12. Employees who have not completed mortgage formalities in respect of HL availed, within the prescribed period, shall not be eligible for the facility until they fulfill the requirements.
13. Documentation :
  - a) ASD-1 & ASD-2
  - b) Undertaking/authority letter as per Annexure-2.
14. Sanctioning/extending of the ODC facility is at the discretion of the Bank and the management reserves the right to withdraw the scheme/facility, modify the rules/conditions/modalities governing the facility, at any time, without assigning any reason.

**Annexure-2**

**UNDERTAKING LETTER**

I, Sri/Smt. \_\_\_\_\_ aged \_\_\_\_\_ years, son/daughter/wife of \_\_\_\_\_, working as \_\_\_\_\_ at Syndicate Bank, \_\_\_\_\_ branch/office, Employee No. \_\_\_\_\_ do hereby irrevocably authorise the Trustees of Syndicate Bank Employees' Provident Fund, Syndicate Bank Gratuity Fund and Syndicate Bank (Employees') Pension Fund to pay the proceeds of my Provident Fund (self and Bank's contribution)/Gratuity/Pension and commutation of pension on my cessation from the services of the Bank either on superannuation or on any other reason, by crediting the same to my SB/Current account maintained at any of the branches of Syndicate Bank. Such payment is a valid discharge to the Trustees of Syndicate Bank Employees' Provident Fund, Syndicate Bank Gratuity Fund and Syndicate Bank (Employees') Pension Fund and I will not raise any dispute against them in this regard at a future date. Such payment is binding upon me, my legal heirs/nominees/executors, administrator/ estates.

In the event of change of nomination/executors etc., I will not alter the above undertaking and the trustees are fully discharged by acting on my undertaking as above.

Signature of the Employee

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I, Sri/Smt. \_\_\_\_\_ aged \_\_\_\_\_ years, working as \_\_\_\_\_ at Syndicate Bank, \_\_\_\_\_ branch/office, Employee No. \_\_\_\_\_ do hereby place on record that I have authorised SyndicateBank Employees' Provident Fund Trust, Syndicate Bank (Employees) Pension Fund and SyndicateBank Gratuity Fund Trust to pay my terminal benefits as and when they become due for payment to SyndicateBank for credit of my SB/Current Account maintained at any of the Branches of SyndicateBank..

I hereby authorise SyndicateBank to appropriate such amount lying in SB/Current account towards my various direct/indirect liabilities including Clean OD facility which I owe to the Bank.

I also authorise the Bank to credit my monthly salary/subsistence pay or other monies payable to me, to the Clean OD account till the same is cleared/fully closed.

I undertake that I will utilise the entire amount of Clean OD for my genuine needs only and not for any speculative activities.

The said authorisation is irrevocable and binding on me/my legal heirs/administrators/nominees/ estates etc. I will not change/amend the above authorisation in future for whatsoever reason till the liabilities are fully cleared and closed.

Signature of the Employee

