



Circular No. CHO/PMG/43/2018-19

Date: 19.01.2019

**CIRCULAR TO ALL BRANCHES/OFFICES**

Sub:	<b>Overdraft Facility (Revised) to the members of Staff with enhancement in limits.</b>
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The Overdraft Facility (Revised) to the members of staff with enhanced limit has been approved by the Board of Directors in its meeting held on 17.01.2019. The limit of Over Draft has been enhanced along with other amendments contained in the enclosed scheme.

Branches/ Offices are also advised to refer following Circulars relating to Overdraft facility to members of staff for operational guidelines:

1. CHO/PMG/25/2002 dated 24.09.2002
2. CHO/PMG/08/2003 dated 22.02.2003
3. HOCL/PMG/08/2003 dated 25.08.2003
4. CHO/PMG/02/2004 dated 08.01.2004
5. CHO/PMG/31/2005 dated 10.11.2005
6. CHO/PMG/40/2009-10 dated 11.03.2010
7. CHO/PMG/25/2013-14 dated 28.12.2013
8. CHO/PMG/26/2014-15 dated 30.09.2014
9. CHO/PMG/06/2017-18 dated 27.04.2017

A copy of this Circular may be displayed in the Notice Board for the information of all concerned.

  
(V C Mahajan)

Deputy General Manager  
Personnel Services.





**OVERDRAFT FACILITY (REVISED) TO THE MEMBERS OF STAFF**

1. Eligibility	<p>All Officers/ Workmen employees, who have completed one year of service in the Bank.</p> <p>The employees against whom Charge Sheet has been issued involving moral turpitude or those who are placed under suspension will not be eligible for the Overdraft Facility.</p>																																
2. Purpose	To meet genuine needs of the employees and shall not be used for speculative purposes.																																
3. Limit	<p style="text-align: right;">(Amt. In Rs. Lac)</p> <table border="1"> <thead> <tr> <th>Length of Service</th><th>Overdraft Limit</th></tr> </thead> <tbody> <tr> <td colspan="2"><b>(i) Executive (Scale-IV to VII) :</b></td></tr> <tr> <td>Up to 10 years</td><td>10.00</td></tr> <tr> <td>Above 10 years</td><td>12.00</td></tr> <tr> <td colspan="2"><b>(ii) Officers (Scale-I to III) :</b></td></tr> <tr> <td>1 year &amp; upto 5 years</td><td>4.00</td></tr> <tr> <td>Above 5 years &amp; upto 10 years</td><td>7.00</td></tr> <tr> <td>Above 10 years</td><td>10.00</td></tr> <tr> <td colspan="2"><b>(iii) Clerical Staff:</b></td></tr> <tr> <td>1 year &amp; upto 5 years</td><td>3.00</td></tr> <tr> <td>Above 5 years &amp; upto 10 years</td><td>5.00</td></tr> <tr> <td>Above 10 years</td><td>7.00</td></tr> <tr> <td colspan="2"><b>(iv) Subordinate Staff:</b></td></tr> <tr> <td>1 year &amp; upto 5 years</td><td>1.00</td></tr> <tr> <td>Above 5 years &amp; upto 10 years</td><td>2.00</td></tr> <tr> <td>Above 10 years</td><td>3.50</td></tr> </tbody> </table>	Length of Service	Overdraft Limit	<b>(i) Executive (Scale-IV to VII) :</b>		Up to 10 years	10.00	Above 10 years	12.00	<b>(ii) Officers (Scale-I to III) :</b>		1 year & upto 5 years	4.00	Above 5 years & upto 10 years	7.00	Above 10 years	10.00	<b>(iii) Clerical Staff:</b>		1 year & upto 5 years	3.00	Above 5 years & upto 10 years	5.00	Above 10 years	7.00	<b>(iv) Subordinate Staff:</b>		1 year & upto 5 years	1.00	Above 5 years & upto 10 years	2.00	Above 10 years	3.50
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4. Rate of Interest	<ul style="list-style-type: none"> <li>➤ One year MCLR for both existing as well as new overdraft facility, presently @ <b>8.70 % p.a.</b></li> <li>➤ Interest rate on existing overdraft facility will automatically be switched over to One Year MCLR effective from date of approval of the Scheme by the Board of Directors i.e. 17.01.2019</li> <li>➤ Interest rate will be reset at the interval of 1 year from the date of first disbursement. For existing overdraft facility, the reset of interest rate will take place 1 year after switching over to MCLR linked interest.</li> <li>➤ The interest to be applied on monthly rests.</li> </ul>																																





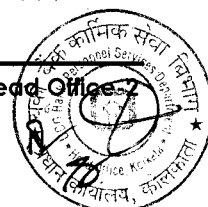
5	Sanctioning Authority.	<b>Category of Employees</b>	<b>Sanctioning Authority</b>
		Employees/ officers posted in branches, including branch Head of EL/VL/FC/MC/ Zonal Office (other than Zonal Head)/ Officers/ Executives deputed to RRBs (other than Chairman of RRBs) and any other offices like LBO, FI, Staff Training College or posted on deputation to outside organisation/ institution located under the jurisdiction of the Zonal Office.	Deputy Zonal Head, looking after HRM and PSD at Zonal Office.
		However, for employees/ officers (other than branch head) posted in EL/VL/MC/FC branches headed by Scale IV and above.	Branch Head
		Officers/ employees posted at Central Staff College, Kolkata (Other than Principal)	Principal of CSC.
		Employees/ Officers upto Scale IV posted at Head Office.	AGM (PSD) at Head Office.
		Zonal Head, Principal CSC, Kolkata, Chairman of RRBs and Executives in Scale V & above posted at Head Office.	DGM (PSD) at Head Office.
(However, sanctioning authority shall not sanction overdraft facility to self but shall submit to next higher authority for sanction).			
6	Documentation	1. Application in the prescribed format 2. Demand Promissory Note 3. Letter of Waiver 4. Letter of Continuity 5. Letter of Undertaking 6. Letter of undertaking to the Bank to appropriate the Terminal Benefit if the employee ceases to be in the service of the Bank.	





7	Review/Renewal of overdraft facility.	Will be undertaken by the Branch Head (irrespective of sanctioning authority) on annual basis.
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8	Conversion of Overdraft into Term Loan	<p>a. Employees will have an option for conversion of the Overdraft account into a Term Loan to be repaid in Equated Monthly Instalment not exceeding 7 years.</p> <p>b. It must, however, be ensured that the total deduction on account of Income Tax, PF, recovery of other loans including recovery towards proposed Term loan and any other recovery etc. should not exceed 60% of Gross Salary of the employee who has opted for converting his / her Overdraft account into a Term Loan.</p> <p>c. The rate of interest for the Term Loan (converted outstanding overdraft amount) shall be same as applicable for Overdraft Account.</p> <p>d. Once an employee has opted for converting his/her Overdraft account to term loan, he/she shall not be eligible to take another Overdraft facility.</p> <p>e. Competent Authority for sanction of Overdraft limit shall only allow such conversion of Overdraft Account into Term Loan.</p>
9	Additional clauses to be included	<p>1. <u>Treatment of defence service of Ex-servicemen employees:</u> In respect of Ex- servicemen employees, both officer and staff under award, the entire service rendered by them in defence forces may be taken into consideration for the purpose of qualifying service required to avail staff overdraft facility, in line with the government directives, provided the applicant employee is confirmed in bank's service.</p> <p>2. In respect of Executives/Officers /Award staff employees who are absenting unauthorisedly and /or have remained on frequent leave without pay (in the last one year), the concerned Zonal Head shall be the competent</p>





		<p>authority to decide whether to extend/enhance the overdraft facility or not depending on the merit of each case. In respect of staff members posted at Head office, DGM (PSD) shall be the competent authority for this purpose.</p> <p>3. In respect of employees under suspension, the original limit already sanctioned to him/her shall remain the same, and it cannot be enhanced further till the outcome of the contemplated disciplinary action or other departmental action is pronounced. Also, the limit shall be fixed/restricted to the level of balance outstanding as on the date of Suspension Order till the departmental action is completed, and the suspended employee can avail / draw amounts from the overdraft account only to the extent of subsistence allowance credited to the account besides servicing the monthly interest charged to the account and not beyond the same. In other words, the balance outstanding in the account as on the date of suspension should not escalate further on any account.</p>
10	Other terms & Conditions	All other terms & conditions of the existing overdraft facility to the staff members will remain unchanged.

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