

# STATE BANK OF INDIA OFFICERS' ASSOCIATION

## (BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

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IP No. 500077

Circular No. 109/2020

Date : 06.06.2020

### To All Members (Please Circulate)

We reproduce hereunder the Circular No. 89 dated 05.06.2020 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

**Shubhajyoti Chattopadhyay**  
(General Secretary)

To all our Affiliates / Members:

### STAFF PERSONAL LOAN SCHEME REVISION IN LOAN LIMITS AND EMI/NMI RATIO OUR SUGGESTIONS

We have sent a communication to the Dy. Managing Director (HR) & Corporate Development Officer, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,

**(Soumya Datta)**  
General Secretary

No. 6705/46/20

Date: 05/06 /2020

The Deputy Managing Director (HR) & CDO,  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
**MUMBAI - 400 021.**

Dear Sir,

### STAFF PERSONAL LOAN SCHEME REVISION IN LOAN LIMITS AND EMI/NMI RATIO OUR SUGGESTIONS

You are aware that the existing Personal Loan limits were last revised almost 7 years back vide Bank's e-Circular No. Circular No: CDO/P&HRD-IR/42/ 2013-14 dated 31st October 2013 wherein the limits were revised substantially across all categories of staff and at that time, the spike in the limit was revised after a gap of five years.

**Shubhajyoti Chattopadhyay**  
General Secretary  
Mobile : 9434551152

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2. Considering the impact of inflation over the past seven years and incremental expenditure on health care and education and other expenditure, the existing limits, you will agree, stand to be inadequate. Therefore, we are of the considered view that the present limits of Personal Loan need to be revised adequately.

3. Sir, it is extremely satisfying to note that the bank is very sensitive and concerned to the needs and aspiration of the staff. Accordingly, true to its tradition, the bank has taken many avant-garde HR initiatives in the past and also during the period of unprecedented Covid-19 pandemic.

04. We, therefore, propose that the existing limits need to be suitably revised with a maximum cap of Rs 20 lakh for officials' upto SMGS V (presently Rs 10 lakh) and Rs 35 lakh for officials upto TEGSS (presently Rs 16 lakh). The EMI/NMI ratio should also be suitably relaxed with a cap of 70 percent EMI/ NMI ratio as against the existing 60 percent as the paying capacity of the staff has gone up considerably with increase in salary and upon implementation of XIth bipartite. Eligibility criteria may also be revised so as to pass on the revised benefits to the maximum number of employees.

We, therefore, request you to take a call on the matter and review the situation in a pragmatic approach and revise the loan limits with due consideration of our aforesaid suggestions which will eventually benefit the staff immensely. The other operational guidelines pertaining to Personal Loan to staff scheme may remain unchanged.

**'Stay Safe, Stay Healthy'**

With regards,

Yours sincerely,



**(Soumya Datta)**  
**General Secretary**

Encl : As stated above

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**Shubhajyoti Chattopadhyay**

General Secretary  
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## e-Circular

P&HRD.  
Sl. No. : 879/2013 - 14  
Circular No. : CDO/P&HRD-IR/42/2013 - 14  
Thursday, October 31, 2013.  
9, Kartik 1935(S).

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All the Branches/Offices of  
State Bank of India

**STAFF: MISCELLANEOUS**  
**REVISION IN CEILING AND ELIGIBILITY CRITERIA**  
**PERSONAL LOAN SCHEME**  
**DISCONTINUATION OF COMPUTER LOAN SCHEME**

Please refer to our e-Circular No. CDO/P&HRD-IR/65/2007-08 dated 6<sup>th</sup> February 2008, vide which the Personal Loan limits were last revised.

2. As part of bank's continuous endeavor to improve the facilities to staff, the existing Personal Loan scheme was reviewed. It is observed that limit of personal loan was fixed more than 5 years back which is not adequate in present day scenario due to overall increase in prices of consumer goods/durables, improved standard of living of an average Indian, wide spread consumerism, increased expenditure on medical care/education etc. as well as increase in repayment capacity of employees. There is also need of review the minimum service eligibility criteria to cover more number of employees under the scheme.

3. The Central Human Resource Committee (CHRC) has since approved revision in the Personal Loan Scheme as under:

[A] Award Staff

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**Shubhajyoti Chattopadhyay**

General Secretary  
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Category of staff	Existing						Revised					
	Subordinate Staff			Clerical Staff			Subordinate Staff			Clerical Staff		
Length of service in years (Only confirmed permanent employees who are members of Bank's PF)	= or > 3 but < 5	= or > 5 but < 10	= or > 10	= or > 3 but < 5	= or > 5 but < 10	= or > 10	= or > 2 but < 5	= or > 5 but < 10	= or > 10	= or > 2 but < 5	= or > 5 but < 10	= or > 10
Quantum of Loan (Rs. in lacs):	0.40	1.20	2.40	0.70	2.00	4.00	0.80	2.00	4.00	1.50	4.00	7.00
Rate of Interest	(i) 8% p.a. (monthly compounded) for Overdraft component, and/or (ii) 8% p.a. (simple) for the Demand Loan component under fixed repayment.						No Change					
Repayment period of Demand Loan	84 months in the ratio of 5:1 i.e. 70 monthly instalments for principal and 14 monthly instalments for interest.						120 months in the ratio of 5:1 i.e. 100 monthly instalments for principal and 20 monthly instalments for interest.					

(B) Supervising Staff

Category of staff	Existing							Revised						
	OJMGs I to OSMGs V	TEGS VI & VII	TEG SS I & II	M Ds	Ch air ma n	OJMGs I to OSMGs V	TEGS VI & VII	TEG SS I & II	M Ds	Ch air ma n				
Length of service in years (Only confirmed permanent employees who are members of Bank's PF)	= or > 3 but < 5	= or > 5 but < 10	= or > 10	= or > 10	= or > 10	= or > 10	= or > 2 but < 5	= or > 5 but < 10	= or > 10	= or > 10	= or > 10	= or > 10		
Quantum of Loan (Rs. in lacs):	1.5	4	7	9	12	15	20	2.5	7	10	12	16	20	25
Rate of Interest	(i) 8% p.a. (monthly compounded) for Overdraft component, and/or (ii) 8% p.a. (simple) for the Demand Loan component under fixed repayment.							No Change						
Repayment period of Demand Loan	84 months in the ratio of 5:1 i.e. 70 monthly instalments for principal and 14 monthly instalments for interest.							120 months in the ratio of 5:1 i.e. 100 monthly instalments for principal and 20 monthly instalments for interest.						

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4. The other operational guidelines relating to the Personal Loan Scheme may be followed as under:

- i) Employees who intend to avail of the Personal Loan for the revised limit may get the loan sanctioned as a fresh case. The two components of Personal Loan i.e. CA/Overdraft and/or Demand Loan, as required by the employee, may be mentioned separately in the Personal Loan application appropriately and sanction recorded accordingly by the competent authority. Documentation will, however, be separate for CA/OD and D/L accounts.
- ii) Employees may also retain the existing sanctioned OD limit and avail the enhanced component in the existing overdraft account or in the form of Demand Loan, as per their convenience and repaying capacity. In this case, a fresh application for Personal Loan (D/L component) may be submitted separately for sanction by the competent authority.
- iii) The Demand Loan shall be recovered in monthly instalments spread over 120 months in the ratio of 5:1 i.e. 100 monthly instalments for principal and 20 monthly instalments for interest, commencing from the month following the month in which disbursement of D/L is made. After liquidation of Demand Loan, the employee can again avail the facility as per his/her eligibility. Within the overall eligibility ceiling, an employee can avail a maximum of two demand loan account at any given time.
- iv) A lien on the PF balance of employee will continue to be noted. The unencumbered balance in PF (both Bank's and employee's share) must be equal to or more than the Personal Loan limit as per the latest PF statement of the employee.
- v) For calculating the unencumbered balance in PF account for noting lien on account of Personal Loan, lien to the extent of Housing Loan and conveyance loan may not be reckoned as housing loans/conveyance loans are primarily secured by way of EM of the house/hypothecation of vehicles.
- vi) In case of Overdraft, the interest applied monthly will be recovered from the salary every month as at present.

5. It has also been decided to discontinue the Computer Loan scheme as circulated vide our e-CIRCULAR NO. CDO/P&HRD-IR/39 of 2007-08 dated 10.10.2007 & CDO/P&HRD-IR/41/2007-2008 dated 25.10.2007 to avoid operational difficulties at Branches and also in view of adequate enhancement in Personal loan limit. Any outstanding in the existing Computer Loan a/c will have to be necessarily liquidated either from enhancement in personal loan limit or from own sources. Those employees who do not want enhancement in Personal Loan limit may, however, be allowed to continue with the existing Computer Loan A/c. But no new Computer Loan shall be sanctioned henceforth to any employees.

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General Secretary  
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6. All the other existing terms and conditions under the Personal Loan scheme, including the stipulation that total deductions should not exceed 60% of the gross monthly salary, will remain unchanged.

7. Please arrange accordingly.

Dy. Managing Director &  
Corporate Development Officer

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**Shubhajyoti Chattopadhyay**  
General Secretary  
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