

ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION (REGD.)
(Affiliated to A.I.B.E.A.)
AND
KARNATAKA BANK OFFICERS' ORGANISATION (REGD.)
(Affiliated to A.I.B.O.A.)

Circular Letter No. 11/2022

READ AND CIRCULATE

31-12-2022

Dear Members,

**DEMAND SERVED FOR ENHANCEMENT OF LIMIT UNDER STAFF CAR LOAN
AND IMPROVEMENT IN VEHICLE LOAN SCHEMES**

Members are aware that at present Officers and Award staffs are eligible for a Staff car loan of Rs.8 lakhs and Rs.6 lakhs respectively which was last revised on 01-11-2016. We have received several representations from our members that current car loan limits available to them are not sufficient to purchase the latest car of their choice due to sharp increase in the cost of all type of the new car models available / going to come in the market. It is in this background, our Associations had placed a joint demand with the Management for enhancing the existing staff car loan limits as well as improvement in existing staff vehicle loan facilities.

We reproduce here below the text of our letter OR No. 318/2022 dated 31-12-2022 addressed to the Managing Director, for the information of our members.

Dear Sir,

**Sub: Enhancement sought in the existing Staff Car Loan limit and improvement
sought in Vehicle loan facilities extended to our members.**

As of now, in accordance with the understanding arrived at between the Management and our Associations, the Officers and Award staffs are entitled for the following staff car loan facilities w.e.f. 01-11-2016:

Category	Loan Amount
Officers	Rs. 8,00,000/-
Award Staffs	Rs. 6,00,000/-

Over a period of 6 years, there has been a steep increase in the cost of all type of the car models now available / going to come in the market due to increase in production costs, implementation of stricter emission norms, upgradation of the cars with sophisticated equipment / facilities, introduction of new type of car like automatic gear cars, electric cars etc. Our members are finding it difficult to purchase news cars with the present limits.

In this regard, we have been receiving several representations from our members seeking revision of car loan limits and improvement in other parameters. In addition to this, we also note that many of the Banks have raised car loan limits to their staff members in

commensurate with the escalation in costs and substantially reduced the rate of interest on staff vehicle loans due to reduction in the cost of funds.

Therefore, we are of the considered opinion that the existing Staff Car loan limit needs enhancement to cater the requirements of our members besides improvements in existing staff vehicle loan facilities. Hence, we place our demand as follows:

1. Enhancement sought under existing staff car loan limit:

Category	Amount
Officers	Rs. 12,00,000/-
Award Staffs	Rs. 9,00,000/-

2. Substantial reduction in the rate of interest on Staff Vehicle Loan scheme considering the reduction in the cost of funds.

3. Reduction in margin for new vehicles from existing 10% to 5%.

In this regard, we request your goodselves to invite us for a joint discussion in the matter so as to arrive at an amicable settlement of the issue at an early date.

With regards,

Yours faithfully,

Sd/-
(Paneendra K G)
General Secretary, AIKBEA


Sd/-
(Suresha Hegde S)
General Secretary, KBOO

We note to inform the developments in this regard to the members.



With regards,

Yours comradely,


(Paneendra K G)
General Secretary, AIKBEA


(Suresha Hegde S)
General Secretary, KBOO

AII INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	ZINDABAD
OFFICERS - WORKMEN UNITY	ZINDABAD