



Circular Letter No.30/2016

READ AND CIRCULATE

Kodialbail, Mangalore-3

03.10.2016

Dear Members,

**TWO WHEELER / FOUR WHEELER VEHICLE LOAN –
JOINT MEETING – 03.10.2016**

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We draw members' attention to our Circular Letter 29/2016 dated 29.08.2016 wherein we have informed that demand letters have been served to the Management seeking improvement / modification in Two Wheeler Vehicle Loan and enhancement in the quantum of Four Wheeler Vehicle Loans.

In response to our above Demand, the Management invited us for a Joint Meeting on 03.10.2016 at Head Office. Both the Negotiating Team were present in full attendance. The subject of improvement in the existing Two Wheeler Loan was taken up for discussion as the first item. **It is a matter of pleasure to inform that the Managing Director agreed to add the cost of insurance and life time road tax payable by the member concerned on acquiring new Two-wheeler vehicle in addition to the existing benefit of the loan amount to be sanctioned to the extent of 90% of invoice value of the Two wheeler to be acquired by member concerned.**

The Management also agreed **to reduce the existing eligibility criteria of 5 years of minimum service for award staff for availing Two Wheeler vehicle Loan to one year confirmed service as demanded by KBEA.** You are all aware that as far as officers are concerned, the eligibility criteria for availing Two Wheeler Vehicle Loan is one year of service as of now. Hence it remains unaltered.

Regarding the Rate of Interest, though the Management was rigid for not agreeing to reduce the existing rate of 8% (simple), after much pursuation of the same by us that it should be consequent to the reduced interest regime prevailing in the industry, **the Managing Director ultimately agreed to reduce the interest rate on Two Wheeler Vehicle Loan to 7.25%.** This positive gesture of the Management is to be appreciated and applauded by us as the total savings consequent to the reduction of interest from 8% to 7.25% will be very substantial.

Immediately thereafter our demand letter with regard to Enhancement of Four Wheeler Vehicle Loan was taken up for discussion. It is a matter of pleasure and happiness to inform that the **Managing Director announced that he is agreeable to enhance the quantum of Four Wheeler Vehicle Loan to the members of staff as demanded by us.** Therefore, the Four Wheeler Vehicle Loan for Officers and award staff in the Bank stands enhanced as under :

P.T.O

Officers	90% of the invoice value + Insurance and road tax or Rs.8,00,000/- whichever is lower
Award Staff	90% of the invoice value + Insurance and road tax or Rs.6,00,000/- whichever is lower

Moreover, the Management also agreed to reduce the **eligibility criteria** for availing the Four wheeler vehicle loan to **3 years as against the present minimum 5 years service**. The repayment schedule stands enhanced to 180 months as against the 150 months which is in vogue as of now.

Regarding the interest rate, here also, **though the Management was insisting to continue the existing rate of 8% (simple), ultimately agreed to reduce the same to 7.25%** as we were bent upon to pursue our demand for reduction in the interest rate.

Comrades, by this enhancement in the quantum of Four Wheeler Vehicle Loan by around 50% and reduction in the interest rate by 0.75% and also taking into account the reduction in eligibility criteria to avail the above loan to 3 years from 5 years, the scheme as such becomes very attractive and beneficial. The quantum of reduction in the interest payable consequent to the reduction in the interest rate by 0.75% and also taking into account the enhanced quantum of the Four Wheeler Vehicle Loan substantially, **the benefit altogether will be enormous to our members. Many more members will be enjoying the benefit of riding Four Wheeler Vehicle along with their family as one step above in their comforts and stature**. Comrades, all this success and benefits is possible consequent to the invisible organizational strength of twin banners i.e., 'KBEA and KBOO', fluttering aloft and alert under the banner of AIBEA and AIBOA in our Bank. **Congratulations to one and all !**

Comrades, our endeavour is to get more and more benefits to our members always so that with added comforts and benefits they can put in more prompt, courteous, quick service enthusiastically while working so that our dear institution can be further lifted in heights with all aspects concerned.

Comrades, the positive gesture exhibited by the Management in the Joint Meeting ending in a happy note is to be appreciated and acknowledged. We convey our thanks to the Managing Director as well as to the members of the Negotiating Team of the Management.

The improvement / modification made with regard to Two Wheeler / Four Wheeler Vehicle Loan as above **will come into effect from 1st Nov. 2016**. The Master circular with regard to the subject matters with all details thereof will be issued by the Management before the effective date i.e., 1st Nov. 2016.

With greetings,

Yours comradely,

Sd/-
(P.R.Karanth)
GENERAL SECRETARY, KBEA

Sd/-
(K.Raghava)
GENERAL SECRETARY, KBOO

OFFICERS' WOMEN UNITY ZINDABAD