

# ALL INDIA UNION BANK EMPLOYEES FEDERATION

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4<sup>th</sup> December 2018

**Circular No. 67/XVI/2018**

To All Units and CC members &  
Woman Sub-Committee Members

Dear Comrades,

**Clean Overdraft Facility to Staff Members**  
- **Adherence to operational guidelines**

We reproduce below full text of our letter sent today to the General Manager (HR) and copy given to all Field General managers and all Regional Heads on the above issue for your information and circulation among all sections of employees. Management has decided to introduce a check in Finacle from 31<sup>st</sup> December 2018 under CSOLOP Errors to ensure that operational guideline in regard to reduction of the sanctioned limit by 10% every year from the 5<sup>th</sup> preceding year prior to the date of retirement is strictly adhered to. According to the Management many COD accounts are turning NPA due to non-adherence of the said guidelines.

With Greetings,

Yours comradely



Jagannath Chakraborty  
General Secretary

**Full text of the letter :**

“ We refer Staff Circular No. 6883 dated 28<sup>th</sup> November 2018 issued by you on the above-mentioned subject. We do not wish to differ with you on the existence of operational guideline that to be followed in respect of clean overdraft facility to staff members; more particularly the guideline for reducing the limit at the starting of 55<sup>th</sup> years of service of staff members. What we wish to do is to draw your kind attention towards the fact that it was not followed by the branches and the higher Management was also not strict in that regard obviously not due to their negligence but looking into practicability of the guideline.

You are aware that even after strictly complying with this guideline, in terms of the scheme, 50% of the limit sanctioned will remain for recovery from the proceeds of the terminal benefit. You will kindly appreciate that the preceding 5 years of the retirement i.e. the period from 55 years to 60 years of life is very important for an

employee as apart from looking after settlement of son/daughter and daughter's marriage he/she has to discharge certain accumulated duties out of family and social obligations, which will be much difficult for him/her to do if he/she has to go on to adjust a portion of outstanding for 5 consecutive years for bringing down the limit as per the operational guideline.

However, we wish to differ with your contention that COD becomes an NPA account if the said operational guideline is not strictly followed. You will kindly agree with us that if there is an arrangement for checking in the system that no debit transaction surpassing the limit on account of monthly interest will be allowed for more than one month then there is no possibility of becoming a COD an NPA account.

Under such circumstances, we urge upon you to kindly remove the said guideline of bringing down the limit to 50% over the preceding 5 years of retirement and allow the staff members to work peacefully without such mental anxiety for arranging money to adjust a portion of outstanding. Management has to accept it that if remaining 50% of the outstanding can be adjusted against the proceeds of terminal benefit then 100% of the same also can easily be adjusted against the terminal benefit. There should be a strict and active check to monitor that the outstanding with interest thereon remains within the limit sanctioned.

In quest of drawing valuable support of the field level Management we are endorsing a copy of this letter to all the Field General Managers and Regional Heads.”