



Indian Overseas Bank Officers' Association

(Regd. No. 321/MDS) (Recognised by the Management) (Affiliated to All India Bank Officers' Confederation)

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To

30.09.2024

Sri Dilip Kumar Barik
General Manager (HR)
Indian Overseas Bank
Central Office
Chennai

Dear Sir,

IMPROVEMENT OF STAFF VEHICLE LOAN CONSEQUENT TO WAGEREVISION AS PER 9TH JOINT NOTE

Staff vehicle loan eligibility was enhanced on April 3, 2023, vide Circular No. EST/1/2023-204, prior to the recent wage revision. With the 9th Joint Note signed in March 2024, the salaries of staff members have increased by 17%, in addition to the normal salary increment over the past two years.

Currently, staff vehicle loans are available for all confirmed employees with at least 3 years of completed service for the purchase of 4-wheelers, while all confirmed officers are eligible for 2-wheeler loans. Under the current eligibility, staff can avail of loans up to Rs 15 lacs for new 4-wheelers, Rs 1.50 lacs for new 2-wheelers, and Rs 7.00 lacs and Rs 0.80 lacs for pre-owned 4-wheelers and 2-wheelers, respectively.

However, significant changes in the automobile industry, such as enhanced safety features, improved comfort levels, compliance with Euro 6 norms, and the increasing presence of solar, electric, and hybrid cars, have driven up the cost of vehicles. Moreover, the Government of India, as part of its environmentally friendly policies, is promoting carbon neutrality and zero-emission vehicles.



Green financing and deposits have also been given high priority by banks, with various incentives announced in the recent budget to support green initiatives.

Given the above, we urge you to consider revising the vehicle loan eligibility as detailed below:

Staff Vehicle loan for 2 wheelers**(In Rs lacs)**

Two wheelers	Existing	Revised
New vehicle	1.50	3.00
Old vehicle	0.80	1.50

Staff Vehicle loan for 4 wheelers**(In Rs lacs)**

Four wheelers (Car)	Existing	Revised		
		JM1,MM2, MM3	SM IV & SM V	TM VI & TM VII
Petrol / Diesel / CNG (ICE)	15.00	20.00	25.00	30.00
Electric Vehicles (EVs)	15.00	25.00	30.00	35.00
Used 4-wheeler	7.00	15.00		

In addition to the revised quantum of the loan, we request consideration of the following:

1. **Interest Rate Concession:** A reduction in the current interest rate from 7.50% to 6.00%.
2. **Second Vehicle Loan:** Allowance for a second car loan during the tenure of the first car loan (within the overall limit) after 2 years from the date of disbursement of the first car loan, with the waiver of the requirement to provide evidence of the sale of the first car (current guideline is 3 years).

Please find enclosed circulars from few other banks relating to vehicle loan for your perusal.

We believe that these initiatives will not only enhance the service conditions for employees but also create significant traction to improve the bank's retail portfolio, adding value to our offerings.

Yours faithfully,

(S Premkumar)
General Secretary

