

**KARUR VYSYA BANK
EMPLOYEES' UNION**

(Affiliated to AIBEA)



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Circular No. 37 / 25 / 2023

July 19, 2023

Dear Comrades,

We reproduce hereunder the letter written to our General Manager, Human Resources Department on the issues faced by our Members in the branches in respect of Rollover of Jewel loan.

With greetings,

Yours comradely,

I.Venkatesan
General Secretary

KVBEU / 37 / 27 / 2023

July 18 , 2023

The General Manager,
Human Resources Department,
Karur Vysya Bank Ltd.,
Central Office,
Karur.

Dear Sir,

Reg: Rollover of Jewel Loan – issues faced by our members in the branches.

Our Agricultural Banking Group (ABG) had recently given instructions to the branches by way of E-Service in respect of Rollover of Gold loan (IOM vide no. ABG/01/Gold Loan/2023-24 dated 06.04.2023). As per the said instructions, fresh loan account should not be opened to close the existing outstanding loans.

In this regard, we furnish hereunder some of the issues faced by our members while carrying out the process of rollover of jewel loan.

- Some branch officials under the instructions from their Divisional Office are advising the Clerks to make dummy cash credit to close the existing loan amount and thereafter open a new jewel loan.

- Initially open the jewel loan with the same jewels and once the amount is credited, advising the Clerk to make cash debit from SB account and adjust the same in cash by way of closing the existing loan. The above process is carried out by way of transfer also.
- In some branches, officials are insisting the Clerks to make payment without actual loan amount are being credited to the account stating that “Pay cash” seal is affixed.
- In some branches, Clerks are advised to do cash credit in the customers account without their consent. This will reflect in the cash deposit made by the customers in their account and they will be answerable to the Government agencies.
- In some cases, if the cash withdrawal limit is more than Rs.20.00 lakh, then system will automatically debit 1% TDS in the customer account.
- In some branches, officials bring the other customer’s cheque and withdraw bulk amount and the same will be adjusted to jewel loan process and at the end of the day the cheque will be reversed.
- In some Divisional Offices, officials are advising the Clerks to do adjustment in cash mode stating that rollover of jewel loan will not be reflected if it is done through this method and it will be reflected only if it is done through transfer mode.
- In some cases, branches are requesting the customers to keep the same jewel in their family members name without closing the existing jewel loan, thereby changing only the name of borrower/s. This will pose problem to the branches because if any dispute arises between the original owner of the jewels and the borrower, it will lead to litigation.
- In some branches, in rollover jewel loan process, they change the product code like Agri, Personal and Trade based on the convenience of the Appraisers and Managers.
- Some branches are still using manual jewel loan process which consumes more time in branches where the jewel loan portfolio is more.
- In some branches JML closure is done through two vouchers. First large amount of JML closure is credited by cash in advance mode (1068) and then balance amount of JML closure is credited by transfer through cheque (1067).
- In some branches if Clerks refuse to violate the circular instructions given by ABG, then branch officials are getting the same done through BSSEs.
- In some branches, if our Members refuse to violate the instructions given by our ABG for carrying out the rollover process, the officials are escalating the matter to their respective Divisional Offices. In turn the officials in the Divisional Offices are exerting pressure on the Clerks to deviate the instructions of ABG. If the Clerks do not abide by their instructions, they are threatened that the matter will be referred to HRD and will be transferred to far off place or they will be regularly sent to other branches on deputation.

We request you to kindly look into the above issues faced by our members at the branches and advise the Agricultural Banking Group to issue a detailed circular instead of E-Service to all the branches in respect of procedures to be followed for Rollover of Jewel Loan so that it will reach all the Employees of the Bank. We also request you to advise all the Divisional Offices not to exert pressure on the employees to deviate from the laid down systems and procedures of the Bank especially on the above subject.

Thanking you,

Yours faithfully,

Sd/-
I.Venkatesan
General Secretary

Cc: Deputy General Manager, Agricultural Banking Group.
