617

HOUSE BUILDING ADVANCE RULES

(GYANESHWAR PRAKASH)
Accounts Officer
DSIDC. N-Block
Connaught Circus, N, Delhi-1

(DELHI STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED)
N - 36, Bombay Life Building, Connaught Circus, New Delhi-110 001.

Price Rs. 1/-

...ces or jointly

DELHI STATE INDUSTRIAL DEVELOPMENT CORPORATION LTD.

In exercise of the powers conferred upon the Board of Directors under Article III(b/27) of the Memorandum of Association of Articles of the Delhi State Industrial Development Corporation, the Board of Directors hereby make the following rules :-

1. **TITLE :** These rules shall be called the 'Delhi State Industrial Development Corporation Limited House Building Advance Rules, 1980.

2. **COMMENCEMENT :** They shall come into force XXXXXX with effect from 24th March, 1981

3. **DEFINITIONS :** In these rules unless the context otherwise requires :

   i) 'Corporation' means the Delhi State Industrial Development Corporation Limited.

   ii) 'Employees' means an employee of the Corporation borne on its regular establishment but does not include person or persons employed on daily wages or ad-hoc basis or on a consolidated fixed monthly salary or on deputation.

   iii) 'Managing Director', 'Chairman' and 'Board of Directors' means the Managing Director, Chairman and Board of Directors of the Delhi State Industrial Development Corporation Limited as the case may be.

   iv) 'Office' includes the Head quarters office of the Corporation at New Delhi, a branch office, a field office or any office that the Corporation may establish.

   v) 'Pay' means basic pay and includes officiating pay, dearness pay and personal pay at the time of application for the grant of house building advance. It does not include pay drawn in a short or fixed term of deputation duty or charge allowance.

   vi) 'Plinth Area' means wall to wall area of the house minus open spaces and boundry or outer walls.

   vii) 'Sanctioning Authority' means the Board of Directors in the case of Chairman, the Chairman in the case of Managing Director and the Managing Director in case of all other employees.

4. **ELIGIBILITY :** All those regular employees of the Corporation who have rendered regular continuous service for a period of not less than five years in the Corporation will be eligible for the grant of advance under these rules.

   NOTE : For computing the period of 5 years service, the service rendered under the Central/ State Govt., other Public Sector Undertakings, Semi Government Institutions or Local Bodies will not be taken into account.

5. **PURPOSES FOR WHICH ADVANCE MAY BE SANCTIONED :**
   Advance under these rules may be granted for :

   i) Construction of a new house.

   ii) Enlarging a living accomodation in a existing house owned by the employees or jointly owned with his/her wife/husband and/or minor children for the construction of which house building advance had not been drawn earlier.

iii) Partly for purchase of land and partly for construction of a new house thereon.

iv) Purchase of a ready built house/flat.

v) Repayment of loans taken from any other source (including private source) for construction of a house.

6. **COST CEILINGS :**

i) For new construction or purchase of a ready built flat/house the cost of building (excluding cost of land) should not exceed 75 times the pay of an employee at the time of application or Rs, 1,25,000/- whichever is less.

ii) For extension of living accomodation in an existing house the total cost of the existing structure (excluding land) and the proposed additions and expansions should not exceed 75 times the monthly pay of the employee concerned or Rs. 1,25,000/- whichever is less. For this purpose the employee shall have to get the existing house valued by a registered valuer at his/her own expense.

iii) In the case of low paid employees the cost ceiling prescribed in (i) and (ii) above should not exceed Rs. 50,000/- even though it may exceed 75 times the monthly pay of the employee concerned.

NOTES:

a) The pay of both husband and wife who are employed in Central/State Govt. Public Sector Undertaking, Semi Govt. Institution of Local Bodies will be taken into consideration for the purpose of computation of cost ceiling.

b) The estimate given by the applicant may be cross checked by multiplying the plinth area by the plinth area rates fixed by the Govt. from time to time as contained in Appendix I. In case of difference the latter will prevail. If the cost thus computed exceeds the prescribed ceiling the applicant should be advised to delate some portion of the house or some items of work so as to bring the cost within the prescribed ceiling.

7. **CONDITIONS :**

1) Not more than one advance shall be sanctioned to an employee during his/her entire service.

2) The applicant or applicant's spouse or minor children should not already own a house. This condition may be relaxed in the following cases.

i) Where the applicant or applicant's spouse or minor children own a house in a village and the applicant is desirous of settling down in a town, or.

ii) Where the house is owned by the applicant jointly with other relations and the applicant desires to build a separate house of his own.

3a) The application shall have to produce a non encumbrance certificate in the prescribed form issued by the Govt. council to prove his/her title to the land/house to be mortgaged.

b) The non encumbrance certificate from a Govt. pleader will not be necessary in respect of purchase of land/house from statutory bodies like the Delhi Development Authority, State Housing Boards etc. A certificate of non encumbrance should, however, be produced from such statutory bodies to the effect that they hold clear title to the land/house free from all encumbrances which they propose to sell/have sold to the applicant and they have no objection to mortgage the property to the Corporation. In addition, a certificate should also be obtained from the office of the concerned Registrar to the effect that the property stands registered in the name of the authority selling the property.

c) In respect of purchase of land/house from private party or no statutory bodies, the non encumbrance certificate from the Govt. pleader should be produced containing the following certificates :-

i) the land is free from encumbrances.

ii) the land is free from any pending litigation.

iii) the land belongs absolutely to the applicant and not to a joint family.

iv) the land is not affected by Urban Land (Ceiling and Regulation) Act, 1976.

v) the land was purchased by the applicant from a person who had a valid title to the property.

vi) the original sale deed has been inspected by him (the Govt. counsel).

(Ref. G. I. Min. of Works & Housing O. M. No. 1/17015/64/78 H. III dated 26.6. 79 C&AG's endst No. 982 TAJ/193-78 dated 8.8.79 para VIII/II 532 Audit Bulletin Sep., 79).

4) If a withdrawal from the Provident Fund is also taken by the employee then total of amounts drawn from both the sources should not exceed Rs. 1,25,000/- or seventy five months pay of the application whichever is less. However, in the case of low paid employees the total of amount withdrawn from both the sources shall not exceed Rs. 50,000/- though it may exceed 75 months pay of the applicant.

5) An advance under these rules may also be granted to an employee who owns land/house jointly with his wife/her husband, provided the application for the grant of advance is accompanied by a letter from the wife or husband as the case may be, undertaking to mortage her/his share in land/house jointly with her husband/his wife in favour of the Corporation as Security for repayment of the advance.

6) The advance for purchase of land only shall not be granted. The applicant shall have to construct a house on the plot of land purchased from advance granted for the purpose within the prescribed period.

In case the applicant has purchased a plot of land for construction of house from the advance sanctioned to him/her by the Corporation and later on could not undertake the actual construction, he shall have to refund the entire amount drawn by him together with interest in one lumpsum. However, the sanctioning authority, if it is satisfied that employee concerned is not in a position to pay back the amount of loan and interest thereon in one lumpsum, may at its discretion, permit the recovery of the amount of advance and interest thereon in suitable instalments not less than half of the pay in amount.

7) i) The applicant shall also furnish a surety on a stamp paper from another employee of the Corporation who has rendered not less than 5 years of continuous service in the Corporation or from a permanent Central/State Govt. Servant of a comparable status undertaking to refund the amount of advance in the event of non payment of the loan together with interest by the applicant, before the sanctioned advance or any part thereof is actually disbursed to him/her.

ii) The surety should have been sufficient numbers of years to serve so as to cover the period of loan from the date of sanction till the house is purchased/constructed and mortgaged to the Corporation.

iii) The liability of the surety will continue till the house built/purchased is mortgaged to the Corporation or till the advance together with interest due thereon repaid to the Corporation, which ever happens earlier.

8) Special conditions for the grant of advance for purchase of ready built flat/house :-

i) The house/flat is newly built and unlived in since its construction ;

ii) it is to be acquired on outright purchased basis and not on hire purchase basis ;

iii) the applicant gets from the alloting agency/seller the right to mortgage the house/flat to the Corporation ;

iv) the cost of flat/house has not been already paid by the applicant ; and

v) the acquisition of the house/flat must be completed and the house mortgaged to the Corporation within three months of the drawal of the advance failing which the advance together with interest thereon shall be refunded by the applicant to the Corporation forthwith, unless an extension of this time limit is granted by the sanctioning authority.

NOTES :

1) If the advance is required for purchase of ready built house/flat from private parties, the condition that the house/flat is "new and unlived in" may be satisfied by ascertaining the following facts :-

a) The number and date of approval of the Building Plan issued by the Municipal or other competent authorities by seeing the original plan ;

b) the date of commencement of construction and date of completion of the house by scruitinising the completion certificate issued by the Municipal or other competent authority ;

c) the property tax bill and the receipt issued by the Municipality ; and

d) Neighbourhood enquiries, if necessary.

2) The applicants desirous of purchasing houses/flats from private parties will have to get houses/flats valued by the registered valuers and the valuation fee will have to be paid by the applicants themselves.

8. **APPLICATION FOR ADVANCE** :

1) Application for House Building Advance in prescribed form should be accompanied by the following documents :-

i) An attested copy of the building plan approved by the local body, panchayat etc ;

ii) Estimates of cost from an approved Architect.

iii) A declaration in regard to the house/property, if any, owned by the applicant or the applicant's spouse/minor children.

iv) If the advance is required for enlarging living accomodation in an existing house, an attested copy of the sale deed and other documents in proof of clear title to the property and site plan.

v) In cases where applicants desire to build a new house on a plot of land already possessed by the applicant, an attested copy of the sale deed or other proof of the applicant having a clear title to the land on which the house is proposed to be built alongwith the site plan. If the land happens to be lease hold, an attested copy of the lease deed should also be enclosed.

vi) If the advance is required for purchase of land an attested copy of the letter from the seller indicating the price settled and his willingness to transfer possession of a clearly demarcated developed plot of land to the applicant within two months from the date of his letter.

vii) If the advance is required for buying a flat, an attested copy of the letter from the seller indicating the price settled and his willingness to handover the vacant possession of a clearly distinguishable flat to the applicant within 2 months from the date of his letter.

viii) Non-encumbrance certificate.

2) Additional documents for purchase of ready built flat/house from Government, Semi-Government or Local Bodies, Housing Boards, Development Authorities and the like :-

i) An attested copy of a letter from the alloting authority alloting or agreeing to allot the land and the house or the flat as the case may be and stating therein :-

a) the cost of house/flat ;

b) the conditions of sales ;

c) the accommodation available therein ; and

d) a certificate to the effect that the Alloting Authority holds a clear title to the land/house free from all encumbrances which it proposes to sell/have sold to the applicant and that it has no objection to mortgage the property to the Corporation.

ii) An attested copy of the draft lease/sale deed for land and house/flat.

iii) A certificate from the office of the concerned Registrar to the effect that the property stands registered in the name of the authority selling the property.

3) Additional documents for purchase of a ready built/flat/house from a registered Co-operative Society :—

i) A letter from the Registrar of Co-operative Societies whether the Society is registered;

ii) a) an attested copy of the Society's title deed in respect of the land on which the house/flat has been built alongwith an affidavit from the Society to the effect that the land is free from all encumbrance ;

b) a non encumbrance certificate in the prescribed form from Government Pleader ;

iii) an attested copy of the offer of sale of the house/flat to the applicant, indicating the total cost of the house/flat (cost of land and the house being shown separately where the house alongwith the land is being sold to applicant) terms of allotment and payment etc.,

iv) a copy of the plan and detailed specifications adopted in construction of the house/flat ;

v) the accomodation available therein ;

vi) a letter from the Society that there is no objection to the house/flat being mortgaged to the Corporation on such terms and conditions as may be prescribed by the Corporation.

vii) an attested copy of the sale deed proposed to be executed by the Society in favour of the applicant ; and

viii) an attested copy of the bye-laws of the Society.

9. **AMOUNT OF ADVANCE**

1) Subject to the loan repaying capacity, the amount of advance will be the least of the following amounts :-

a) 75 times the pay of applicant at the time of application or,

b) cost of construction as approved and cost of land (if advance for the purchase of land was/has been taken) or the cost of house/flat to be purchased ; or

c) Rs. 70,000/- (Rs. 25,000/- in case of enlargements of an existing house).

2) i) the loan repaying capacity mentioned in sub-rule (1) above is fixed to ensure that the principal together with interest thereon is fully recovered in monthly instalment before the due date of retirement of the applicant. An instalment not exceeding the following percentages of the monthly pay will be within the repaying capacity of the applicant. Increase in pay subsequent to the date of application will not be taken into account.

a) Applicants due to retire after 10 years from the due date of commencement of recovery of advance under these rules.	50% of pay at the time of application.
b) Others	60% of pay at the time of application.

ii) In case of applicants due for retirement within 20 years from the due date of commencement of recovery of advance under these rules, the following percentages of the amount of gratuity admissible at the time of retirement may also be taken into consideration for the purpose of computing repaying capacity of the applicant, provided the applicant agrees in writing to the incorporation of the suitable clause in the prescribed agreement and Mortgage Deed forms for adjustment of a portion of gratuity admissible on retirement towards payment of a portion of advance and/or interest outstanding on the date of retirement.

a) Applicant due to retire after 10 years but not after 20 years from the due date of commencement of recovery of advance.	80% of Gratuity
b) Applicants due to retire within 10 years of the due date of commencement of recovery advance.	90% of Gratuity.

iii) In case the amount of advance admissible under sub-rule (1) above is more than the assessed loan repaying capacity as worked out under sub-rule (2) above, the amount of advance will be restricted to the assessed loan repaying capacity.

E:

1) In the case of construction in the rural area the amount of advance will not exceed 80% of the cost of land and construction of the house or cost of enlarging living accommodation. This condition may be relaxed by the sanctioning authority, if the rural area in which the proposed construction is to be done falls within the periphery of the town or city.

2) Pay at the time of application only will be taken into account. No subsequent increase by way of increments or promotion shall be considered.

3) Where both husband and wife are employed in Central/State Govt., Public Undertakings, Semi Govt., Institutions or Local Bodies, the advance shall be admissible only to one of them limited to 75 months pay of the one (Husband/Wife) applying for the advance. A certificate from the employer of the other spouse certifying that he or she, as the case may be has not drawn house building advance from any other source should also be attached with the application.

4) The gratuity admissible on retirement should be calculated on the basis of notional pay that the applicant will draw and the completed years of the service that the applicant will render on the due date of retirement.

5) A few examples working out the admissible amount of house building advance are given in Appendix—I.

DISBURSEMENT OF ADVANCE AND ITS SECURITY :

1) FOR CONSTRUCTING A NEW HOUSE OR ENLARGING LIVING ACCOMODATION IN AN EXISTING HOUSE :-

a) An advance required for constructing a single storey house or for enlarging living accomodation in an existing house shall be paid as follows :-

i) 40% of the sanctioned advance shall be paid on mortgaging by the applicant in favour of the Corporation, the land purchased by him alongwith the house to be built thereon or the existing house and land, as the case may be ;

ii) 40% of the sanctioned advance shall be paid when the construction has reached the plinth level ; and

iii) the balance 20% of sanctioned advance will be paid when the house has reached the roof level.

b) An advance required for constructing a double storeyed new house or enlarging living accommodation in an existing house shall be paid as follows :

i) 25% of the sanctioned advance will be paid on mortgaging by the applicant, in favour of the Corporation, the land purchased by him alongwith the house to be built thereon or the existing house and land, as the case may be ;

ii) 30% of the sanctioned advance will be paid when the house has reached the plinth level ;

iii) 25% of the sanctioned advance will be paid when the roof of the ground has been laid ; and

iv) the remaining 20% of the sanctioned advance shall be paid when the roof of the first floor has been laid.

2) **PARTLY FOR PURCHASE OF LAND AND PARTLY FOR CONSTRUCTING A NEW HOUSE :**

a) An advance required partly for the purchase of land and partly for constructing a single storeyed new house thereon shall be paid as under :

i) An amount not exceeding 20% of the sanctioned advance for purchasing a developed plot of land on which construction can commence immediately shall be paid on applicants executing an agreement in the prescribed form for the repayment of advance. The land must be purchased and the sale deed in respect thereof produced for inspection of the sanctioning authority within two months of the date of drawal of the advance for the purchase of land or within such further time as the sanctioning authority may allow in this behalf failing which the applicant shall be liable to refund the entire amount of advance to the Corporation alongwith interest thereon.

ii) An amount equal to 30% of the balance of the advance shall be paid on mortgaging by the applicant, in favour of the Corporation, the land alongwith the house to be built thereon.

iii) An amount equal to 40% of the amont remaining after deducting from the sanctioned amount of advance, the instalment given for the purchase of land, shall be paid when the construction of the house has reached the plinth level.

iv) The balance of the sanctioned advance shall be paid when the construction of the house had reached the roof level.

b) An advance required partly for purchase of land and partly for constructing a double storeyed new house thereon shall be paid as under :-

i) An amount not exceeding 15% of the sanctioned advance, for purchasing a developed plot of land on which construction can commence immediately shall be paid on applicants executing an agreement in the prescribed form for the repayment of advance. The land must be purchased and the sale deed in respect thereof produced for inspection of the sanctioning authority within two months of the date of the drawal of advance for the purchase of land or within such further time as the sanctioning authority may allow in this behalf failing which the employee will be liable to refund the entire amount of advance to the Corporation alongwith interest thereon.

ii) A amount equal to 25% of the balance of the sanctioned advance shall be paid on applicants mortgaging, in favour of the Corporation, the land alongwith the house to be built thereon.

iii) An amount equal to 30% of the amount remaining after deducting from the sanctioned amount of advance, the instalment given for the purchase of land, shall be paid when the construction of house has reached the plinth level.

iv) A further amount not exceeding 25% of the amount remaining after deducting from the sanctioned amount of advance, the instalment given for the purchase of land shall be paid when the roof of the ground floor has been laid.

v) The balance of the sanctioned advance shall be paid when the roof of the first floor has been laid.

ES :

a) In cases where the terms of sale do not vest the title to land in favour of the applicant till a house is erected on the land, the instalment of advance under Rules 10(1) (a) or 10(1) (b) or 10(2) (a) (ii) or 10(2) (b) (ii) shall be disbursed only after the applicant has executed an agreement with the Corporation in the prescribed form agreeing to mortgage the land together with the house to be built thereon, as soon as the house has been built and the title to the property is completed.

b) The release of instalments of advance admissible at various levels of construction of a house, shall be sanctioned only after inspection and certification by an officer of the Corporation, authorised by the sanctioning authority in this behalf, to the effect that the construction is being carried out strictly in accordance with the approved plans.

c) The employee concerned shall also certify while applying for release of instalments at various levels that construction is being carried out, strictly in accordance with the plan and estimates furnished by him, that the construction has actually reached the plinth/roof level and that the amount already drawn has actually been spent on the construction of the house.

d) In case the enlargement in an existing house is proposed to be carried out on any floor other than the ground floor. the applicant shall have to furnish a certificate from an approved Engineer/Architect to the effect that the foundations of the existing/ structure can safely take the load of the proposed enlargement.

) **FOR PURCHASING A READY BUILT HOUSE/FLAT :**

a) The advance sanctioned for the purchase of a ready built house/flat shall be paid in one lumpsum on the applicants executing an agreement in the prescribed form for the repayment of the loan.

b) The 'Self Financing House Registration Scheme' announced by the Delhi Development Authority envisages allotment of flats after a period of two years and the payment of the cost of construction as under :-

i) Registration desosit of Rs. 10,000/-

ii) 25% (including amount paid as Registration deposit) of the expected price at the time of the acceptance of the application.

iii) Balance payment in instalments as under :
20% at the end of 6 months.
25% at the end of 1 year.
20% at the end of $1\frac{1}{2}$ year.
10% at the time of taking over possession.

c) The house building advance for purchase of ready built flats under this scheme may be sanctioned on the following additional conditions provided that, with a view to safeguarding the interests of the Corporation, the Delhi Development Authority agrees to enter into a tripartite agreement with the Corporation and the applicant.

i) House Building Advance will not be granted for the initial payment of Rs. 10,000/- as registration deposit. It has to be borne by the applicant himself/herself.

ii) On receipt of an assurance from the Delhi Development Authority that the flat will be allotted to the employee, the amount of House Building Advance permissible will be sanctioned to the employee but the payment will be endorsed to the Delhi Development Authority directly on his/her executing to repay the loan and the interest thereon. He/she will also produce two sureties from the employees of the Corporation who have rendered not less than five years of service or from permanent Central/State Government servants of comparable status, who are not likely to retire in the near future. The payment will be released to the Delhi Development Authority in instalments as at (b) (ii) & (b) (iii) above, due care being taken that the initial deposit of Rs. 10,000/- shall not form part of the advance.

iii) The Delhi Development Authority will maintain a separate account for each employee and adjust the payment of advance against the cost of construction of the particular category of flat applied by him/her.

iv) On completion of flat, its possession will be handed over to the employee who will mortgage the flat to the Corporation.

v) The amount of advance will be limited to 75 months pay or Rs. 70,000/- or the cost of the flat, whichever is the least.

vi) The cost of the flat over and above the permissible amount of advance will be borne by the employee.

vii) If the employee wants to withdraw from the scheme or is unable to meet the balance amount representing the difference between the House Building Advance sanctioned and the actual cost of the flat, the amount of House Building Advance will be refunded forthwith to the Corporation by the Delhi Development Authority.

viii) The recovery shall start after 18 months of the release of the first instalment or possession of the flat, whichever is earlier.

ix) The rate of interest on House Building Advance for the first Rs. 25,000/- is $6\frac{1}{2}\%$. The Delhi Development Authority under the scheme will, however, pay interest at the rate of 7% for a period beyond $2\frac{1}{2}$, years till the flat is offered for possession. Any gain in interest in this way will accrue to the Corporation.

4. **ADVANCE FOR REPAYMENT OF LOANS :**

The house building advance for repayment of loan taken from Government or private source be paid to an employee of the Corporation if :-

i) The applicant undertakes to repay the outstanding loan, advance, etc. together with interest, if any, thereon forthwith, in one lumpsum to the Ministries/Departments or other non-Government parties concerned.

ii) The Sanctioning Authority is satisfied that loans from other sources (Govt. or Non Govt.) were taken by the applicant entirely for the purpose of construction of the house.

INTEREST :

1. The House Building Advance sanctioned under these rules shall carry the following differential rates of simple interest from the date of payment :-

i) $6\frac{1}{2}\%$ per annum for the first Rs. 25 000/-

ii) 8% per annum for the next Rs. 25,000/- vig. from Rs. 25,000/- to Rs. 50,000/-

iii) 10% per annum for the next Rs. 20,000/- from Rs. 50,000/- to Rs. 70,000/-.

2. The interest shall be calculated on the balance outstanding on the last day of each month and the portion of the loan carrying the higher rate of interest will be treated as having been paid first.

. The rate of interest shall be subject to further review from time to time.

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a) In working out the balance outstanding on the last day of each month, recovery of the advance should be deemed to have been made on the first of the month following the month to which the pay relates, irrespective of the actual date of drawal of pay by the employee concerned.

b) If a part of the advance sanctioned under these rules or interest on the amount of advance is to be wiped off by adjustment from gratuity payable on retirement no interest shall be charged beyond the date of retirement.

c) In case an employee dies while on service, and a portion of the outstanding balance of the advance is to be setoff against the gratuity admissible to this/her nominee(s), no interest shall be charged on the amount of advance thus adjusted against gratuity, from the date of death of the employee.

d) If the balance of principal is cleared either by recovery from pay bill on the Ist of the month or by lumpsum payment during the course of the month, no interest shall be payable for that month as the balance outstanding on the last day of that month will be Nil.

12. **RECOVERY OF ADVANCE AND INTEREST THEREON :**

a) **Number of Instalments of Recovery :**

i) The house building advance paid to an employee under these rules together with interest thereon shall be recovered in full by monthly instalments not exceeding 240 in number. Firstly, the principal shall be recovered in not more than 180 monthly instalments and then interest shall be recovered in not more than 60 monthly instalments.

ii) The monthly rate of recovery shall be fixed in whole rupees except in the case of last instalment when the balance, including any fraction of a rupees, shall be recovered.

iii) The employee may elect to repay the advance in shorter period than that agreed to in the mortgage deed. In that case a supplementary mortgage deed shall have to be executed in prescribed form.

b) **Commencement of Recovery :**

i) The recovery of advance, sanctioned for the construction of a new house or enlargment of an existing house will commence from the pay of the month following the completion of the house or the pay of the 18th month after the date on which the first instalment of advance was paid, whichever is earlier.

ii) The recovery of advance, sanctioned partly for purchase of land and partly for construction of a house thereon, will commence from the pay of the month following the completion of the house or the pay of the 24 month after the date on which the instalment of advance for purchase of land was drawn by the applicant whichever is earlier.

iii) The recovery of advance sanctioned for the purchase of a ready built house/flat will commence from the pay of the month following the month in which the advance was paid.

c) **Manner of Recovery :**

i) The recovery will be effected through monthly pay/leave satary or subsistance allowance bills of the employee concerned.

ii) If subsistance allowance is reduced due to prolonged suspention, the amount of instalment of recovery may be suitably reduced, if considered necessary, by the Sanctioning Authority.

iii) The recovery will not be postponed except with the prior concurrence of the sanctioning authority. In case an employee fails to repay the balance of the advance on or before retirement, the Corporation may enforce the mortgage and effect recovery of the outstanding amount together with interest and cost of recovery by sale of the house or in such other manner as may be permissible under the law.

d) **Earlier Retirement or Death :**

If an employee ceases to be in service before normal retirement date or dies before repayment of advance in full, the entire outstanding amount of advance shall become payable to the Corporation forthwith. Failure on the part of the employee concerned or his/her successors, as the case be, will entitle the Corporation to enforce recovery of the outstanding amount on the terms of mortgage deed and take such other action to effect the recovery as may be permissible. The Sanctioning Authority may, however, in deserving cases, permit the employee concerned or his/her successors to repay the outstanding advance together with interest thereon in suitable instalments.

e) **Reconveyance :**

After the advance together with interest due thereon has been fully recovered, the property mortgaged as a Security for the advance, shall be reconveyed to the employee concerned through a Reconveyance Deed in Prescribed form. After the Reconveyance Deed has been executed and registered, the mortgage deed, the sale deed and such other documents deposited by the loanee shall be returned to him/her and a receipt therefore shall be taken and kept on record alongwith a copy of the Reconveyance Deed.

CONSTRUCTION, INSURANCE, MAINTENANCE ETC. :

a) **Construction :**

i) The construction of the house shall be carried out strictly in accordance with the approved plan and specifications. Any deviation should have the prior concurrence of the Sanctioning Authority.

ii) The construction of the house shall be completed within 18 months of the date of drawal of the first instalment of advance-Failure to do so shall render the employee concerned liable to refund the entire amount of advance together with interest thereon in one lumpsum. An extension of time limit may be allowed by the Sanctioning Authority in deserving cases.

iii) The date of completion of construction shall be reported by the employee concerned to the Sanctioning Authority without delay.

b) **Insurance :**

i) On completion or purchase, the house shall be insured by the employee with the LIC against damage by fire, flood and lightening for a sum not less than the amount of advance outstanding on the date of insurance. The insurance should be renewed every year till the loan is cleared up.

ii) The premium should be paid regularly and the receipts thereof produced for inspection.

iii) In case the renewal of insurance is not intimated by the employee concerned within one month of the due date, the property shall be insured by the Corporation and the amount of premium will be added to the outstanding amount of advance. The employee concerned shall be liable to pay interest thereon at the prevalling rate of interest.

iv) A clause should be got inserted in the policy that the Corporation is interested in the insurance policy secured. For this purpose a letter in prescribed form shall be obtained from the employee concerned addressed to the insurance company with whom the house is insured.

v) The employee concerned shall furnish annualy to the Sanctioning Authority a certificate in the following form before disbursement of the pay for the month of June.

CERTIFICATE

I..employed as......................................in the Corporation, have taken a House Building Advance of Rs...from the Corporation for constructing a House on plot No..................... The House has been completed.

I have insured the house mentioned above for Rs..........................for the period ending ....vide policy enclosed. The Insurance Policy is due for renewal on...............................

Signature...................................

Date..

TO ;

....

....

....

(Sanctioning Authority)

c) **Maintenance :**

i) Till such time the advance together with interest thereon is not repaid in full, the employee concerned shall keep the house in good repair, pay all municipal and other local rates and terms regularly, keep the house free from all encumbrances, and furnish a certificate to this effect to the Sanctioning Authority.

ii) The Sanctioning Authority may have the house inspected by an officer authorised by it, to ensure that the house is maintained in good repair until the advance is repaid in full. The employee concerned shall afford necessarry facility for the inspection by the officer designated for the purpose.

NOTES :

1) Furnishing of false certificates under this rule will render the employee concerned liable to disciplinary action. He may also be called upon to refund to the Corporation forthwith the entire amount of advance drawn by him together with interest thereon in one lumpsum.

2) Where the house/flat is occupied/let out by an employee prior to the date of completion of the house, the date of completion for the purpose of these rules shall be the date on which a completion certificate is granted by the local body or the date on which the house/flat is occupied or let out in full or in part, which ever is earlier. The insurance cover etc. of the house/flat shall take effect from that date.

14. **FORMS :**

The various forms of mortgage deed, agreement and other documents prescribed by the Government of India in the Rules for grant of House Building Advance to its employee may be adopted after suitable modifications in consultation with the Legal Adviser.

15. **STAMP DUTY :**

Stamp duty on all instruments executed in connection with the grant of house building advance under these rules shall be borned by the employee concerned.

16. **AUTHORITY COMPETENT TO SIGN VARIOUS DOCUMENTS :**

All instruments to be executed under these rules shall be signed, wherever necessary, by the Secretary of the Corporation after obtaining approval of the Sanctioning Authority on file.

APPENDIX—I

(See note (b) below Rule 6)

PLINTH AREA RATES FOR SQ. METRE FOR DIFFERENT STATES

S. No.	Name of State	Capital towns & towns with population of 3 lakhs and above (a) Specifications	(b) Specifications	Other towns & villages with population less than 3 lakhs (c)	(d)
		Brick work in cement/lime mortar, RCC lin. tels, roofs, etc. mosaic flooring, teak - wood doors/windows, cement plaster, finished with white/colour washing and painting, sanitary, water supply and elect. installations compound & court walls.	Brick work in cement/lime mortar, RCC lintels, roofs, etc. ordinary cement concrete flooring soft wood doors/windows cement plaster finished with white/colour washing & painting sanitary water supply & Elect. installtions compound & court walls.	Brick work in lime/cement mortar, RCC lintels roofs etc. ordinary cement concrete flooring, local wood doors/windows cement/lime plaster, white/colour washing fittings for sanitary water supply, elec. installations.	Brick work / stone work in cement/lime, reinforced brick concrete/asbestos sheet/corrogated galvanised/iron sheet roofing, ordinary roofing, ordinary flooring local wood doors, windows, cement lime plaster, white/colour washing sanitary water supply and elec. installations.
1.	2.	3.	4.	5.	6.
1.	Assam	Rs. 450	Rs. 440	Rs. 430	Rs. 420
2.	Bengal	Rs. 516	Rs. 480	Rs. 470	Rs. 430
3.	Bihar	Rs. 450	Rs. 440	Rs. 430	Rs. 400
4.	Orissa	Rs. 450	Rs. 430	Rs. 400	Rs. 400
5.	Uttar Pradesh	Rs. 516	Rs. 480	Rs. 430	Rs. 400
6.	Madya Pradesh	Rs. 470	Rs. 450	Rs. 430	Rs. 400
7.	Delhi	Rs, 516	Rs. 480	Rs. 430	Rs. 400
8.	Punjab	Rs. 516	Rs. 480	Rs. 470	Rs. 430
9.	Haryana	Rs. 516	Rs. 480	Rs. 470	Rs. 430
10.	Himachal Pradesh	Rs. 450	Rs. 430	Rs. 430	Rs. 410
11.	Rajasthan	Rs. 450	Rs. 430	Rs. 430	Rs. 410
12.	Maharashtra	Rs. 516	Rs. 480	Rs. 430	Rs. 420
13.	Gujarat	Rs. 516	Rs. 480	Rs. 430	Rs. 420
14.	Andhra Pradesh	Rs. 480	Rs. 450	Rs. 430	Rs. 410
15.	Karnataka	Rs. 480	Rs. 450	Rs. 430	Rs. 420
16.	Tamil Nadu	Rs. 516	Rs. 480	Rs. 450	Rs. 430
17.	Kerala	Rs. 450	Rs. 430	Rs. 430	Rs. 410
18.	Arunachal Pradesh	In these areas the construction is mostly hill type, rate of Rs. 340 per sq. m. for 'D' specifications and Rs. 450 sq. m. for 'B' specifications may be adopted.			
19.	Mizoram				
20.	Manipur				
21.	Tripura				
22.	Sikkim				
23.	Multi storeyed building having more than 4 storeys in Delhi, Bombay, Pune, Madras.	Rs. 540			

nion Territories other than listed above.

For Goa, Daman, Diu, Pondichery, rates shall be Rs. 430 per sq. m. for 'C' specifications and Rs. 480/- per sq. m. for 'B' specification.

APPENDIX - II

CALCULATION SHEET FOR CONSTRUCTION OF A HOUSE

(Example 1)

Name of the applicant :

I. PARTICULARS OF ADVANCE :

a) Pay (Basic) Rs. 1,100

b) Cost of construction/Ceiling limit Rs. 82,500 (Rs. 1,100 x 75)

c) Amount applied for Rs. 70,000

II. ASSESSED COST OF CONSTRUCTION :

Plinth Area X Rate 155 sq.m. x 516 = Rs. 79,980 say Rs. 80,000/-.

III. SERVICE PARTICULARS :

	Year	Month
a) Date of superannuation	1995	3
b) Date of start of recovery	1979	8
	15	7

c) No. of monthly instalments — 187

IV. REPAYING CAPACITY :

50% of 1(a) x No. of instalments = Rs. 550 x 187

= Rs. 1,02,850

V. REVIEW OF ADVANCE :

a)	Advance applied for	Rs.	70,000
b)	Interest chargeable	Rs.	34,962*
c)	Total amount recoverable (principal + Interest)	Rs.	104,962
d)	Gratuity adjustable 80% of Rs. 16,000 DCR Gratuity	Rs.	12,800
e)	Balance recoverable	Rs.	92,162
f)	Rate of Recovery including component of interest	Rs.	493 p.m. (within 50% of basic pay)

An advance of Rs. 70,000 can be approved (in relaxation of Rule 4(b) of House Building Advance Rules.

*This is hypothetical figure.

(EXAMPLE 2)

Name of applicant :

I. PARTICULARS OF ADVANCE :

a) Pay (Basic) Rs. 800

b) Cost of construction/ceiling limit Rs. 60.000 (Rs. 800 x 75)

c) Amount applied for Rs. 50,000

II. ASSESSED COST OF CONSTRUCTION :

Plinth Area X Rate 100 x 516 = 51,600

III. SERVICE PARTICULARS :

	Year	Month
a) Date of superannuation	2000	4
b) Date of start of recovery	1979	8
	20	8
c) No. of monthly instalments	240	

IV. REPAYING CAPACITY :

$33\frac{1}{3}\%$ of I(a) x 240

Rs. . 266 x 240 = 63,840

V. REVIEW OF ADVANCE :

a)	Advance applied for	Rs. 50,000
b)	Interest chargeable	Rs. 25,925*
c)	Total amount recoverable (principal + interest)	Rs. 75,925
d)	Gratuity adjustable	Nil
e)	Balance recoverable	Rs. 75,925
f)	Rate of recovery including component of interest	Rs. 316 p.m.

Since the amount of recovery is more than the loan repaying capacity (IV above), the amount of advance has to be restricted to the loan repaying capacity, viz.,

$$\frac{63{,}840 \times 50{,}000}{75{,}925} = 42{,}000$$

An advance of 42,000 can be approved.

*This is hypothetical figure.

(EXAMPLE 3)

Name of applicant :

I. PARTICULARS OF ADVANCE :

a)	Pay (Basic)	Rs. 2,000
b)	Cost of construction/ceiling limit	Rs. 1.25 lakhs
c)	Admissibility	Rs. 70,000
d)	Amount applied for	Rs. 70,000

II. ASSESSED COST OF CONSTRUCTION :

Plinth area X Rate

230 x 516 = 1,18,650 say Rs. 1,18,700

III. SERVICE PARTICULARS :

		Year	Month
a)	Date of superannuation	1988	9
b)	Date of start of recovery	1979	9
		9	0

c) No. of monthly instalments— 108

IV. REPAYING CAPACITY :

60% of I(a) x No. of instalment = 2000 x 60% = Rs. 1,200 x 108 = Rs. 1,29,600

V. REVIEW OF ADVANCE :

a)	Advance applied for	Rs. 70,000
b)	Interest chargeable	Rs. 20,193*
c)	Total amount recoverable (principal+interest)	Rs. 90,193
d)	Gratuity adjustable 90% of Rs. 25,000	Rs. 22,500
e)	Balance recoverable	Rs. 67,693
f)	Rate of recovery including component of interest	Rs. 626 p.m. (within 60% of basic pay).

An advance of Rs. 70,000 can be approved, in relaxation of Rule 4(b) of the House Building Advance Rules.

*This is hypothetical figure.