

CHAPTER - VI

LOANS AND ADVANCES

419. Regulations regulating the grant of the following loans and advances are laid down in this chapter.

(1) Loans to K.E.B. Employees Co-Operative Societies.

(2) Loans and Advances to Staff - Interest bearing ;

a) Advance for :

i) House Building;

ii) House Purchase;

iii) House Repairs including improvements and enlargements;

b) Advances for purchase of :

i) Motor Car;

ii) Motor Cycle / Scooter;

iii) Moped;

iv) Bicycle;

* v) Tricycle;

*vi) Computer;

*vii) Solar Cooker.

*(B16/2668/94-95/26-10-95)

c) Motor Car Repair Advance.

d) *Advance for purchase of Solar water heating system - Deleted

* (B14/B3(a)/1202/94-95/13-9-94)

e) Marriage Advance.

(3) Loans and Advances to Staff - Interest free

(a) Festival Advance ;

(b) Medical Advance ;

- (c) Education Advance;
- (d) Education Loan;
- (e) Advances on Transfer;
- (f) Travel Advance;
- (g) Advance of compassionate Gratuity or Death-cum-Retirement Gratuity;
- (h) Leave Salary Advance.

420. Regulations commonly applicable in respect of the above advances.

- (1) Only eligible employees are to be granted these advances subject to such conditions as are prescribed or as may be prescribed from time to time, in the regulations relating to them.
- (2) K.E.B. Employees, who are on deputation with other departments of State/Central Governments, Public Undertakings, Karnataka Power Corporation, Local Bodies etc., may take short term advances (such as, advance for purchase of a Vehicle, Festival Advance, Advance of Pay and T.A. on transfer) from their foreign employers. In all such cases, Board accepts the responsibility for recovering the balance amount of the advance drawn and arranging for the remittance of such recoveries to the concerned authorities, as and when employees revert to Board's service. As regards long term advances, like House Building Advance etc., employees on deputation should apply for it to the sanctioning authority of the Board.
- (3) Officers/ Officials of the State / Central Government while working in Board on deputation basis are eligible for the grant of advances for purchase of a Vehicle (Motor Car / Motor Cycle / Scooter / Moped) and Advances on transfer, from the Board subject to:
 - (a) Obtaining a certificate from the concerned authority as regards their tenure in their parent departments and admissibility of the advance and
 - (b) the concerned parent department accepting the responsibility for recovering the balance amounts due, from such officers/officials,

on their reversion to parent departments and arranging for their remittances to Board.

- (4) **PAY :-** The term 'PAY' used in this chapter means the BASIC PAY as sanctioned in Board Order No. *B16/2651/94-95 dated 26-4-94 and B16/2663/94-95 dated 31-10-94.

* (B16/2668/94-95/26-10-95)

- *(a) For the purpose of sanction of House Building, House purchase, House Repair / Extension or Enlargement, the pay shall include the dearness allowance existing as on 1-7-1992 and the dearness allowance sanctioned with effect from 1-7-1992.

* (B16/2668/94-95/26-10-1995)

(5) STAMP DUTY AND REGISTRATION CHARGES :-

Employees have to bear the cost of stamp duty and Registration charges on documents - such as Agreements, Mortgage Deeds etc., executed by them in respect of Advances / Loans - (whether interest bearing or interest free) granted to them.

(6) DATE OF DRAWAL OF ADVANCE/LOAN :-

Advance/Loan shall be deemed to have been drawn on the date of issue of the cheque/demand draft.

NOTE : The provisions of this regulation will apply inter-alia for the following purposes :-

- i) For determining the date of recovery of the first instalment of recovery / re-payments;
- ii) For determining the date of completion of negotiations for purchase of House / Vehicle / Solar Cooker;
- iii) For furnishing particulars of House / Vehicle / Solar Cooker purchased and the relevant documents connected therewith.
- iv) For calculation of Interest.

(7) INTEREST :

- (a) Simple interest at such rates as may be fixed from time to time shall be charged on all interest bearing advances / loans granted to the employees. Such interest shall be calculated from the date of drawal of the advance/loan and on the balances outstanding on the last day of each month.

NOTE : In cases of recovery of instalments through pay/leave salary bills, if the employee concerned is unable to present his / her claim in time for certain administrative reasons or for want of pay slip, the deductions should be deemed to have been made in the month following the month to which the pay / leave salary relates irrespective of the actual date of its drawal.

- b) Subject to provisions of clause (a) simple interest is charged at the following rates :

Nature of Advance/Loan	SIMPLE INTEREST		
	from 1-4-1983	from 1-7-1983	*from 26-10-1995
Advances for -			
(i) House Building / House Purchase / House Repairs, including improvements and enlargements - for the first Rs. 80,000/-	7 % PA	8 % PA	Upto Rs. 1,00,000 12 % PA
for the balance in excess of Rs. 80,000/-	10 $\frac{1}{2}$ % PA	11 % PA	From Rs. 1,00,001 to Rs. 3,00,000 15 $\frac{1}{2}$ % PA

Nature of Advance/Loan	SIMPLE INTEREST		
	from 1-4-1983	from 1-7-1983	*from 26-10-1995
(ii) Advances for purchase of - Motor Car / Motor Cycle / Scooter / Moped / Bicycle / Solar Water Heating System / Motor Car Repair Advance	7% PA	8½ % PA	Motorcar 12½ % PA Motor Cycle/ Scooter / Moped 11½ % PA Motorcar Repair & advance 12½ % PA
(iii) Marriage Advance	7% PA	8½ % PA	Tricycle 12½ % PA Computer 8½ % PA Solar Cooker 12½ % PA

(B16/5816/82-83/23-3-83 & 3-12-83)

and (B16/3888/89-90/31-10-1990)

* (B16/2668/94-95/ 26-10-1995
and Corrigendum Dt. 24-1-1997.)

NOTE : The rates of interest revised from 1-7-1983 are applicable only in respect of sanctions issued on or after 1-7-1983.

Sanctions issued earlier at old rates of interest will not attract the revised rates even if only part amount is drawn.

(B16/5816/82-83, dt 27-8-83)

(c) In this chapter, except when the term "INTEREST" is used in contradistinction to "PENAL INTEREST" Interest includes Penal Interest.

(d) Penal Interest at such rates as may be fixed by the Board from time to time shall be levied :-

i) in the event of default in the payment of monthly instalments. From the date of default.

- ii) in the event of delay in compliance with the conditions prescribed From the date prescribed under the rule governing the completion of the transaction.
- iii) in the event of non-utilisation of the advance/loan for the purpose for which it was granted

OR

- in the event of non-compliance or contraventions of the conditions set out in the order sanctioning the advance. From the date of drawal of the advance.

NOTE : 1) RATE OF PENAL INTEREST :

Prior to 22.7.1982	11% P.A.
From 22-7-1982 to 6-2-1988	18% P.A.
From 6-2-1988	24% P.A.

- 2) The enhanced rate of penal interest at 24 percent per annum is applicable to all the cases of advances/ loans sanctioned on or after 6-2-1988.

(B16/4471/74-75 dt 6.2.88)

- 3) The levy of penal interest will not prevent the competent authority from taking disciplinary action against an employee for flagrant breach or wilful disregard of the Regulations governing grant of Advances/Loans for House Building / House Purchase / House repairs / Purchase of Vehicles / Marriage advance as any other advance/loan.

- (e) In case, houses constructed or purchased or altered or additions made out of House Building / House Purchase / House Repair

Advances are rented out, the rate of interest chargeable will be as prescribed in para 429.

- (f) The following formula may be adopted for the calculation of interest on Advances / Loans granted to the employees.

$$\text{Total amount of Interest} = \frac{N+1}{2} \times P \times \frac{R}{100} \times \frac{1}{12}$$

Where N = Number of monthly instalments fixed for the repayment / recovery of the amount of Advance / Loan.

P = Principal (Amount of Advance / Loan)

R = Rate of Interest

OR

- (1) When Principal is repaid in equal instalments month to month

$$\text{Interest} = \frac{N(N+1)}{2} \times \frac{X}{12} \times \frac{r}{100}$$

- (2) When portion of the principal is paid in equal monthly instalments and the balance is paid in one lumpsum.

$$\text{Interest} = \frac{N}{2} (a + 1) \times \frac{r}{100} \times \frac{1}{12}$$

- (3) When repayment is not regular

$$\text{Interest} = \text{Total interest bearing balance} \times \frac{1}{12} \times \frac{r}{100}$$

Where N = Number of instalments including last instalment of lumpsum payment if any.

a = Amount of Principal.

x = Amount of each instalment of repayment.

r = Rate of Interest

l = Last balance for which Interest is due.

**METHOD OF FIXATION OF THE NUMBER OF MONTHLY
INSTALMENTS OF RECOVERY, WHERE THE MAXIMUM PERIOD
OF RECOVERY IS NOT AVAILABLE, AND ALSO THE
BALANCE IS NOT ADJUSTABLE AGAINST DCRG.**

	Maximum Period of recovery	Towards	
	No. of instalments	Principal	Interest
1	2	3	4
House Building Advance	300	216	84
House Repair Advance (including Enlargement etc.)	120	96	24
House Purchase Advance :			
(1) Category	240	180	60
(2) Category	192	144	48
(3) Category	144	108	36

FORMULA :

Number of monthly instalments of recovery = towards Principal	Maximum no. of instalments of recovery towards <u>Principal</u> X Maximum period of recovery towards Principal & interest	No. of years of service available before retirement
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Example :

Taken House Building Advance. Service available is 20 years before retirement.

$$\text{No. of instalments of recovery towards Principal} \quad \frac{216}{300} \times 20 \times 12 = \frac{216}{300} \times 240 = 172.8 \text{ OR } 173$$

Towards Principal - 173 monthly instalments

Towards interest - 67 - do -

Total : 240

Taken House Purchase Advance, Service available is 12 years

$$\text{1st Category} \quad \frac{180}{240} \times 12 \times 12 = \frac{180}{240} \times 144 = 108$$

Towards Principal - 108 monthly instalments

Towards interest - 36 - do -

Total : 144

Similar method may be adopted in the cases of other advances.

(8) CONDITIONS OF REPAYMENT :

- (a) All advances are subject to adjustment by the employees receiving them in accordance with the Regulations applicable to each case. Every advance must be adjusted by the end of month succeeding the one in which the advance is drawn, where the date within which adjustment should be made is not prescribed in the order itself.
- (B) When it is found that any advance cannot be adjusted within the time fixed, sanction of Board or other authority sanctioning the advance should be obtained for extension of time by a definite period for adjustment.

(9) CUSTODY OF MORTGAGE BONDS AND RELATED DOCUMENTS:

All mortgage Bonds / Memorandum of Deposit of Title Deeds / Agreements and other related documents pertaining to House Building / House Purchase / House Repairs, advances for purchase of vehicles and other advances will remain in the custody of the Financial Adviser and Chief Accounts Officer, till the loans / advances are finally discharged. They have to be returned duly cancelled to the parties concerned.

(10) IRRECOVERABLE ADVANCES :

Sanction of Board or other competent authority should be obtained to write off such of those advances found to be irrecoverable by reason of the persons to whom the advances were made being no longer in the service of the Board.

LOANS TO K.E.B. EMPLOYEES CO-OPERATIVE SOCIETIES

- 421.** The following Regulations are prescribed for regulating grant of loans by the Board to K.E.B. Employees Co-Operative Societies floated and managed by the Board employees :-

(B4/5329/78-79, dt. 4-2-1982)

(1) Loans under these Regulations may be granted by the Board to the Co-Operative Societies floated and managed by the Board employees for the following purposes :-

- (a) To purchase lands for purposes of forming layouts and distribution of sites to the members for construction of Residential houses;
- (b) To purchase rations / provisions in bulk quantities in harvest season and to sell the commodities to the members;
- (c) To purchase cloth / dress materials in bulk quantities directly from Mills and to sell them to the members;
- (d) To purchase bicycle, fans, items of furniture and other house hold appliances/articles directly from Manufacturers and to sell them to the members;
- (e) To grant cash loans to the members for their personal needs, in accordance with the Bye-laws of the Society.

(2) ELIGIBILITY :

Loans under these regulations may be granted by the Board at its discretion to Employees' Co-operative Societies duly registered under Co-operative Societies Act and carrying on its activities solely for the benefit of Board employees subject to the provisions of the Act and Bye-laws of the Society applying for the loan.

(3) AMOUNT OF LOAN :

The amount of loan that may be sanctioned to an employee co-operative society shall not, together with the deposits received by the society and other borrowings including outstanding balance of previous loans sanctioned by the Board, if any, exceed TEN times the total value of paid up share capital and accumulated reserves, land and building fund minus accumulated losses.

(4) INTEREST :

- (a) The loans advanced to a Co-operative Society shall carry an interest at $11\frac{1}{2}\%$ per annum payable every half year. The first

instalment to be paid on the expiry of the first half year after the date of drawal of the loan and subsequent instalment on the expiry of every half year thereafter;

- (b) Belated payments of principal and interest shall attract penal rate of interest. The overall interest chargeable on overdue instalments of principal shall be $13\frac{1}{2}\%$ per annum.

(5) RE-PAYMENT :

- (a) Loans sanctioned to a society under these Regulations shall be repaid in TEN half yearly instalments. The first instalment is payable on the expiry of the first half year after the loan is drawn by a society. Subsequent instalments shall be paid on the corresponding date of each half year.
- (b) The interest payable on loans advanced shall be a first charge on the amounts repaid by the society to the Board.

(6) SECURITY :

- (a) As security for the loan the society availing loan facilities shall have to charge the existing assets and assets which may be acquired including moveable and immovable properties in favour of the Board.
- (b) Collateral security from the members of the committee of the management of the society shall be obtained in the form of a pro-note.

(7) PROCEDURE :

- (i) Application for loan under these Regulations shall be made in duplicate in the prescribed form (annexed) and submitted to the Chief Engineer, Electy. (General), KEB. The following documents should accompany the application :

- (a) Copy of the Bye-laws of the society ;
 - (b) Copies of latest audited accounts and audit report;
 - (c) Provisional balance sheet as on the month previous to the month of application ;
 - (d) Copy of resolution of the committee of management of the society;
- (ii) The Chief Engineer, Electy. (General), KEB., shall forward the application to the Board with his recommendations duly obtaining the concurrence of the Financial Adviser and Chief Accounts Officer, on the proposal.
- (iii) On the loan being sanctioned, a copy of the order shall be forwarded to the Financial Adviser & Chief Accounts Officer who shall observe all the prescribed formalities before releasing the loan sanctioned.
- (8) As long as the loan continues to be pending, a copy of audited accounts of every year should be submitted by the society to the Financial Adviser & Chief Accounts Officer.
- (9) In the event of failure by the society to pay the principal and the interest thereon promptly on due dates, the Board shall be entitled to recall the entire loan due and realise the same by sale of every one of the assets of the society.
- (10) The society shall execute necessary agreement in favour of the Board in the manner as in the case of loans taken by the society from D.C.C. Banks.
- (For specimen forms - see Annexure)
- (11) The Financial Adviser & Chief Accounts Officer is empowered to sign the agreement on behalf of the Board.

(12) ACCOUNTING :

The Accounts pertaining to the loan, shall be maintained by the Chief Controller of Accounts.

The amount of loan paid to a society and repayment towards principal shall be accounted under the appropriate Account Code from 27.861 to 27.891 (both inclusive) - Loans to K.E.B. Societies.

Payment of interest and amount of interest accrued shall be accounted under Account Code 62.280 - Interest on Loans to Societies.

APPLICATION FOR SANCTION OF LOAN TO
KARNATAKA ELECTRICITY BOARD EMPLOYEES'
CO-OPERATIVE SOCIETIES

FROM :

NAME :

The Secretary,
..... Co-operative Society Ltd.,
.....

To :

The Chief Engineer, Electy. (General)
Karnataka Electricity Board,
Cauvery Bhavan, Bangalore - 560 009.

Sir,

We wish to apply for a loan of Rs..... (Rupees
.....) only to our society. The amount is required for
..... we append below the details pertaining to our society for
consideration of sanction of loan.

I. 1. Date of starting the Society :

2. Number of Members.

3. Maximum borrowing power of Members

4. Profit or Loss of	Years	19	19	19
Society for the last	Profit			
three years	Loss			

5. Share capital invested in
the financing bank, if any.

II. Owned capital of the Society :

1. Subscribed Share Capital :

2. Paid-up Share Capital :

3. Reserve Fund :
 4. Amount of reserve fund invested outside.
- III. Maximum borrowing power of the Society :
- IV. Borrowed Capital of the Society :
1. Deposit from individuals:
 2. Other deposits :
 3. Other borrowings :
 - (a) From Financing Bank
 - (b) Others (Please Specify)
- V. Total Borrowings :
- VI. Is this the first time loan is being sought, if not;
- (a) What is the amount of loan previously sanctioned (with reference and date).
 - (b) Is there any amount outstanding (indicate the principal and interest separately)
 - (c) Are the instalments being paid regularly.
- VII. List of Documents enclosed :
- VIII. Any other information :

The information and figures furnished above are true and reflect the true state of affairs to the best of our knowledge. We agree to abide by the rules, regulating the grant of loan to Karnataka Electricity Board Employees' Co-operative Society and also agree to pay such rate of interest that may be charged from time to time by the Board during the currency of the loan.

Place :
Date :

Secretary

President

AGREEMENT

THIS INDENTURE made this the day of one thousand nine hundred and by the Electrical Division Employees Co-operative Society, Ltd., represented by its PRESIDENT, Two Vice Presidents, One Director, Secretaries and Successors in Office in favour of the Secretary, Karnataka Electricity Board acting in the exercise of the executive power of the Karnataka Electricity Board and hereinafter referred to as the Board witnesseth as follows :-

1. Whereas the society requested the Board for financial accommodation and assistance for the implementation and accomplishment of the objects of the said society specified in the Bye-laws of the society and requested the Board for the grant of long-term loan to the society.
2. WHEREAS the Karnataka Electricity Board was pleased to sanction in its order No. dated a loan of Rs./- (Rupees only) to the society on the terms and conditions specified in the aforesaid Board Order.
3. WHEREAS the society has agreed with the Board as to the express terms of the loan and to the repayment on demand of all sums of money which may be advanced to the society or may hereafter become due to the Board be secured by a floating charge on all the assets of the society, the existing assets of the society being those described in the schedule hereunder.
4. WHEREAS it is agreed between the society and the Board that such sum or sums of money as are advanced to the society shall carry interest at..... percent (.....percent) per annum.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS :

1. In consideration of the sum or sums of money advanced by the Board by way of loan cash credit accounts or other manner of accounts from time to time as the society may required upto a limit of Rs. (Rupees only) exclusive of interest and other charges, the society doth hereby make and create in favour of the Board,

in floating charge on all the existing assets of the society described in the schedule hereunder written and on all other assets of the society of every description what-so-ever now existing or which may hereafter be acquired including all securities, buildings and all other moveable and immovable assets more fully described in the following schedule belonging to the society and to be held upto and to the use of the Board for securing payment and in favour of the Board and demand of all sum or sums of money as may be found due and may hereafter become due and outstanding from the society to the Board together with the interest thereon at the agreed rate.

2. The society agrees and covenants with Board as follows :-

- (a) The floating charge hereby created shall extend and be extensive with the total sum or sums of money due under all heads of accounts due by the society even though such sum or sums of money exceeds the pecuniary limit above named and that the security hereby created as the terms and conditions of this INDENTURE shall continue to remain in force and binding on the society until all the moneys which it borrows and under all accounts and under any documents executed by it are fully satisfied.
- (b) That the society shall pay to the Board interest on the sum or sums of money borrowed by it from the Board at per cent (..... per cent) per annum. The interest will be payable half-yearly.
- (c) That the society shall draw the loan sanctioned to it by the Board as and when required by the society and shall pay interest at the rate above mentioned on the amounts so drawn from the date on which it draws the amount untill repayment of the same in full.
- (d) That society shall repay to the Board entire principal in easy early instalments, so borrowed hereunder in (.....) half yearly instalments, the first instalment shall be paid immediately after the expiry of first half year after the date on which the society so draws the amount and each of the remaining instalments shall be repaid by the society to the Board on the corresponding day of each succeeding half year.

- (e) In the event of the society failing to pay the principal and interest due as aforesaid or any instalment therefor, the Board shall be entitled and at liberty thereafter, to recall the entire loan due to it and to realise its dues by the sale of all and every one of the assets and properties on which the floating charge has been created by the society in favour of the Board. The society shall also pay interest on all the overdue instalments payable by it and at the rates 13 $\frac{1}{2}$ % per annum.
- (f) In the event of the Board considering the security furnished by the society to be insufficient and inadequate the society shall furnish such further and additional security as the Board might reasonably require.

IN WITNESS WHEREOF THE SOCIETY has set its hand and seal and the day and year above mentioned.

"SCHEDULE"

1) Moveable Properties :

(a) Paid up Provident Fund	as on ...	Rs.
(b) Paid up share capital	- do -	Rs.
(c) Reserve Fund	- do -	Rs.
(d) Furniture	- do -	Rs.
(e) Loans due from Members to the society	- do -	Rs.
(f) Bank Balance	- do -	Rs.
(g) Cash balance on hand	- do -	Rs.
(h) Cheques on hand	- do -	Rs.
Total :		Rs.

2) Immovable properties : as on

The common seal of the Borrower is hereunto affixed in the presence of :

PRESIDENT
VICE PRESIDENT
HON. SECRETARY
TREASURER
DIRECTORS

CONTINUING GUARANTEE AGREEMENT

To :

The Karnataka Electricity Board,
Bangalore.

Amount Rs..... (Rupees only).

The K.E.B. Employees Co-Operative Society Ltd.,

The Karnataka Electricity Board, Bangalore (hereinafter called the Board) having at the request of the K.E.B. Employees Co-Operative Society Ltd., (hereinafter called the Borrower) opened or agreed to open in the books of the Board as a Loan Account to the extent of Rs. in the name of Borrower, to be drawn upon from time to time under the rules governing the said Board to remain in force until closed by the Board and to be secured by the securities to be pledged with the Board. IT IS HEREBY AGREED to abide by the special and general conditions of the loan and any terms and conditions that may be imposed from time to time along with the following :-

1. The several documents mentioned in the schedule hereto have been deposited and shall remain with the Board as security for the payment to the Board of all money due or to become due or from time to time accruing due from the Borrower to the Board in respect of any sum or sums to be drawn against the said loan account including charges for interest, discount commission and all costs charges and expenses which the Board may incur in enforcing or obtaining payment of such money or in realising this or any further security.
2. That interest at the rate of per cent per annum shall be calculated and charges on the daily balance in the Board favour due upon the loan account until the same is fully liquidated and shall be paid by the Borrower as and when demanded by the Board.

3. That the borrower shall not, during the continuance of this agreement pledge or otherwise charge or encumber any of the securities for the time being the subject or intended to be the subject of this agreement and do or permit any act whereby the security herein before expressed to be given to the Board shall be in any way prejudicially affected.
4. That, on demand by the Board, the borrower shall furnish additional securities or replace the existing ones by other of adequate value from time to time owing to the fluctuations in the actual value of the securities or their maturity due to efflux of or for any other reason.
5. That on demand by the Board the borrower shall pay to the Board the balance then due to the Board of the said loan account together with all further interest at the rate above mentioned and the amount of all further charges and expenses (if any) to the date of payment provided that nothing herein this clause contained shall be deemed to prevent the Board from demanding payment of the interest for the time being due at the above mentioned rate without at the same time demanding payment of the balance due to Board exclusive of such interest.
6. This agreement is to operate as a continuing for the balance from time to time due to the Board and also for the ultimate balance to become due on the said loan account and the said account is not to be considered to be closed for the purpose of the security and the security is not to be considered exhausted reason of the said loan account being brought to credit at any time of its being drawn upon to the full extent of the said sum of Rs..... if afterwards reopened by a payment to credit.
7. This guarantee shall not be affected by any change in the constitution of the said Board or the borrower above named or their successors and assigns or by amalgamation with any other Board or Boards.
8. The Society shall repay the entire principal in half yearly instalments the first instalment being paid on the expiry of the first half year after the society draws the amount and subsequent instalment being paid on the corresponding date of each half year.

9. The society shall pay interest at per cent per annum in half yearly instalments, the first half year after the date of drawal of amount to subsequent instalment of the interest being period on the expiry of recovery half year. Belated payment of principal and interest shall attract penal rate of interest at per cent per annum.

SCHEDULE

- I. Immovable properties
- II. Moveable properties as on (Audited)
- | | | |
|---------------------------|----|-----|
| 1. Paid up share capital | .. | Rs. |
| 2. Reserve Fund | .. | Rs. |
| 3. Fixed Deposit | .. | Rs. |
| 4. Paid up provident fund | .. | Rs. |
| 5. Shares in D.C.C. Bank | .. | Rs. |
| 6. Loan due from members | .. | Rs. |
| 7. Bank Balance | .. | Rs. |
| 8. Furniture value | .. | Rs. |

In witness whereof the common seal of the Borrower has been hereunto affixed this day

For the K.E.B. Employees Co-Operative
Society Ltd.,

The common seal of the Borrower was hereunto affixed in the presence of :

PRESIDENT

VICE PRESIDENT

HON. SECRETARY

TREASURER

HOUSE BUILDING ADVANCE

422. The following Regulations are prescribed for regulating the grant of advances for :

- House Building
- House Purchase
- House Repairs including
Improvements & Enlargements.

423. Advances may be granted to employees for :

- (a) Constructing a new house (including acquisition of a suitable plot for the purpose) either at the place of duty or where the employee proposes to settle after retirement provided it is situated within the State of Karnataka.

(B3/606/81-82, dt. 27-1-1982)

- (b) Purchase of ready built house either at the place of duty or at the place where the employee proposes to settle after retirement provided it is situated within the State of Karnataka.
- (c) Repairs to houses owned by the employees including extension or enlargement or improvement there to, provided the house is situated within the State of Karnataka.

424. **Eligibility** : Advances under these regulations may be granted to :-

- (a) Permanent employees.
- (b) Temporary employees without insisting on the surety of the permanent employees subject to the condition that the temporary employees should have put in a minimum service of FIVE years and should be borne in the pensionable establishment and the sanctioning authority is satisfied that such temporary employees will be continued in service till the advance together with interest is fully repaid.

- (c) A T.T.R. employee absorbed into the Maintenance Establishment subject to the condition that such an employee has put in a minimum service of FIVE years inclusive of the services rendered on T.T. Roll and the sanctioning authority is satisfied that such an employee will be continued in service till the advance with interest is fully repaid.
- (d) In cases where both the husband and wife happen to be employees and are eligible for the grant of an advance under these Rules, it should be admissible to one of them.
- (e) Employees who have drawn loans under the Low Income Group Housing Scheme are not eligible for an advance under these Rules either for constructing or for purchasing a house.
- (f) House Purchase Advance may be sanctioned to employees who have been allotted ready built houses or houses under construction by the Karnataka Housing Board under the HUDCO scheme or under similar schemes of other development authorities or statutory bodies set up or constituted, as the case may be, by the State Government or Central Government, subject to the following conditions :-
 - (i) The amount of advance shall be sanctioned and the amount shall be released in such instalments as may be stipulated in the respective scheme under which the house is allotted and an application for sanction of advance is made or subject to a maximum of Five instalments whichever is less. Sanctioning Authority shall indicate the details of the scheme including the details of the amount of advance sanctioned and the amount of each of the instalment to be released, the number of instalments, and the stages at which the instalments are to be released as per the scheme.
 - (ii) The maximum amount of advance shall be limited to the cost as stated in the allotment order issued under the scheme or the maximum amount admissible on the date of original sanction of House Purchase Advance under the Rules, whichever is lower and the difference, if any, being met by the employee concerned.

- (iii) The application for House Purchase Advance should be accompanied by 'No Objection Certificate' and a true copy of the certificate of allotment of house issued by the Karnataka Housing Board or the concerned authority making the allotment of house agreeing to permit the allottee employee to mortgage the property to Board as security in respect of House Purchase Advance to be sanctioned by the Sanctioning Authority.
- (iv) The usual restriction relating to the net Take Home Salary shall be kept in view while sanctioning the advance and the amount of advance shall be limited accordingly.
- (v) The total amount of advance sanctioned may be revised by the sanctioning authority in case there is any modification in the cost of the house subsequent to allotment on account of essential or reduction in cost of construction or structural variation in the construction and where such revision results in the enhancement of the amount sanctioned earlier, it shall be limited to the maximum amount as may be admissible under the Rules as on the date of original sanction of House Purchase Advance and such enhancement shall also be subject to the condition relating to net TAKE HOME SALARY.
- (vi) Where the advance is released in one lumpsum the normal rules of recovery of House Purchase Advance shall apply and where the amount sanctioned is released in more than one instalment, the recovery shall commence from the month following the 23rd month in which the applicant has drawn the first instalment or the month following the month in which the final instalment has been drawn whichever is earlier. The total period of recovery shall be determined as per para 422(10).
- (vii) The applicant (employee) shall execute an agreement in FORM No. 4 (HBA) before drawing the first instalment and shall mortgage the property to Board within one month from the date of drawal of the final instalment.

- (viii) The applicant (employee) shall furnish additional securities in terms of assured value of KGID Policy or surrender value of LIC Policy to an extent of 50 per cent of the advance.-
- (ix) The other conditions mentioned in the Regulations for sanction of House Purchase Advance shall apply to the advances sanctioned under clause (f).

(B3/9164/86-87/23-12-1986)

(g) Eligibility to the advance where a house is already owned :-

Neither the applicant nor the applicant's wife/husband/minor child must be the owner of the house. This condition may be relaxed by Board in exceptional circumstances;

For example, where the applicant or the applicant's wife/husband/minor child owns a house in any place other than the place where he/she desires to settle down after retirement or where the applicant happens to own a house jointly with other relations etc., and he/she desires to build and or purchase a separate house for his/her bonafide residential purpose where he/she desires to settle down after retirement.

- (h) (i) Advances, if otherwise admissible to an employee, may also be sanctioned :
 - (a) for construction of a house on land belonging to the employee's wife/husband; or
 - (b) for enlargement of the living accommodation of the existing house already owned by the employee's wife/husband subject to the condition that the employee agrees jointly with his/her spouse to mortgage the land and/or the house or mortgage by DEPOSIT TITLE DEEDS as the case may be in favour of the Board as security for repayment of the advance together with interest thereon.

- (ii) The application for sanction of an advance in such cases shall be accompanied by an agreement in FORM No. 5 (HBA) duly executed by the employee with his wife/her husband on a stamped paper of appropriate value:
- (iii) The Memorandum of Deposit Title Deed to be executed in respect of the advance sanctioned under clause (h) shall be in FORM No. 3 (HBA)

(B3/201/80-81/27-11-1980)

425. Amount of Advance & Rate of Interest :

- (a) An advance equal to * 70 (SEVENTY) months' pay subject to a maximum of * Rs. 3,00,000/- (Rupees Three lakhs only) may be granted with effect from 26-10-1995 for construction or purchase of a house.

* (B16/2668/94-95/ 26-10-95)

Ready built houses are classified into six categories depending on the normal useful age of the house as indicated in para 422 (10(d)). advances shall not be granted for purchase of a house the age of which is more than 25 years.

- (b) Interest - The advance granted under clause (a) shall carry INTEREST at * 12 % (TWELVE) per cent per annum upto *Rs. 1,00,000/- (Rupees One Lakh only) and 15.5 % (Fifteen point Five) per cent per annum from *Rs. 1,00,001/- (Rupees one lakh one only) to Rs. 3,00,000/- (Rupees three lakhs only)

* (B16/2668/94-95/26-10-95)

- (c) An advance equal to * 40 (Forty) month's pay subject to a maximum of *Rs. 1,20,000 (Rupees one lakh twenty thousand) only may be granted with effect from 26-10-1995 for House repairs / extensions or enlargements of existing house owned in his/her own right.

* (B16/2668/94-95/26-10-95)

- (d) Interest - The advance granted under clause (c) shall carry interest at *12 (Twelve) per cent per annum upto *Rs. 1,00,000/- (Rupees One

Lakh only) and 15.5 (Fifteen Point five) per cent per annum from Rs. 1,00,001 to Rs. 1,20,000 only.

* (B16/2668/94-95/26-10-95)

NOTE : In case Houses constructed or purchased or altered or additions made out of House Building Advance / House Purchase Advance / House Repairs advance are rented out the rate of interest chargeable will be at the rates prescribed in para 429.

- (e) (i) Penal Interest - For contravention of the conditions of grant of an advance for House Construction / House Purchase / House Repair, penal interest at 24 percent per annum (inclusive of simple interest) shall be levied.

(B16/4471/74-75, dt. 6-2-1988)

See corrigendum (B16/2668/94-95 dt 24-1-97)

NOTE : The enhanced rate of penal interest at 24 per cent per annum is applicable to cases of loans/advances, which are sanctioned on or after 6-2-1988.

(B16/4471/74-75, dt. 6-2-1988)

- (ii) The levy of penal interest will not prevent the sanctioning authority from taking disciplinary action against an employee for wilful disregard of these regulations and / or conditions of grant of an advance.

426. Number of Advances :

Not more than TWO advances may be granted under these Rules to an employee during his/her entire service for construction or purchase of a house.

427. (a) SECOND advance may be granted subject to the following conditions:-

- (i) That the employee is obliged, for reasons beyond his/her control, to dispose off the house constructed or purchased out of the first advance;

- (ii) That the FIRST advance together with interest has been completely repaid by deductions from salary or out of the sale realisations of the house which had to be sold by the employee or partly by the former and partly by the latter.
- (iii) The employee selling the house should specifically indicate to the satisfaction of the sanctioning authority the reasons for selling the house.

(b) Interest - The second advance granted under the above clause shall carry interest at TWO per cent higher than the normal rate of interest applicable to such loans. (See para 425 (b) & (d)).

(B16/5816/82-83, dt. 1-3-1985)

428. Advances for effecting enlargement may however be granted in addition to or otherwise provided the advance drawn either for construction or purchase of a house has been fully repaid and a certificate to that effect obtained from the Financial Adviser & Chief Accounts Officer / Chief Controller of Accounts.

429. Rate of interest if the houses are let out :

- (a) In the following cases the employee may be forced to let out the house constructed or purchased or of additions / alterations / enlargements made out of the Board advance.
 - (i) The house is constructed / purchased at the place of duty by an employee, but he/she has been transferred subsequently to another place where he/she has to reside in a rented house; and
 - (ii) The house is constructed / purchased at the place where the employee proposes to settle after retirement and he/she is on duty elsewhere and resides in a rented house.
- (b) If the houses are let out wholly or partly for residential or non-residential purposes and such letting out was not forced on him/her for reasons set out in clause (a) above, the rate of interest leviable are as follows :-

- (i) At $1\frac{1}{2}$ times the normal rate when let out wholly for residential purposes treating it as an investment;
 - (ii) At double the normal rate if the house is partly or wholly let out for non-residential purposes;

(Eg. Shops, Restaurant, Office etc.,). The loan shall before closed in such cases, if so desired by the Board.
- (c) The appropriate authority is responsible to keep a watch in this behalf and intimate the Chief Controller of Accounts about all such cases for the levy of interest at the rates prescribed in clause (b) above.

430. Reduction in the rate of Interest :

The rate of interest on House Building Advance to such of those Board employees who volunteer for sterilisation is fixed at HALF per cent less than the normal rate of interest as an incentive to promote small family norm subject to the following conditions :-

- (i) A Board employee, in order to get this benefit, should be within the reproductive age group.

This would mean that in the case of a male employee, he should not be over 50 years, and his wife should be between 20 and 45 years of age. In the case of a female employee, she must not be above 45 years and her husband must not be over 50 years of age.
- (ii) The Board employee should have two or three living children.
- (iii) The sterilisation operation must be conducted and the sterilisation certificate must be issued by a State Government Hospital. Where this is not possible, the sterilisation must be conducted and the sterilisation certificate issued by an Institution recognised by the State Government for this purpose.

- (iv) The sterilisation operation can be undergone either by the Board employee or his/her spouse provided the conditions at serial numbers (i) to (iii) are fulfilled.

(B5/B3/855/77-78, dt. 5-6-1982)

NOTE : This provision is withdrawn vide Board order No. B3(a)/3035/93-94/dt. 30.6.94 and confirmed vide letter No. KEB/B3(a)/3035/93-94/dt 3-1-95.

WAIVAL OF INTEREST

- 431.** In the event of death of an employee in service, before the repayment in full of the principal House building/House Purchase/House Repair advance drawn by him/her and/or interest due thereon, the entire interest including penal interest in cases where recovery of interest has not commenced or the balance amount of unrecovered interest including penal interest in cases where interest has partially been recovered upto the date of death, shall be waived.
- 432.** The following guidelines shall be followed in the matter of waiver of interest accrued as on the date of death of an employee in service and for the settlement of Family Pension to the legal heirs of the deceased employee.
- (1) Interest accrued as on the date of the death of an employee in respect of House Building/House Purchase/House Repair advances will stand automatically waived. No separate sanction is required.
 - (2) Balance of advance and other dues, if any, due to the Board should be recovered by adjustment against DCRG admissible and payable to the beneficiary as per Rules.
 - (3) Any balance that remains after DCRG is adjusted should be recovered together with interest on the balance of advance, out of Family Pension payable to the nominee(s)/Legal heir(s) with the written consent of the recipient of the Family Pension and execution of an agreement in the form prescribed hereunder, on a stamp paper of appropriate value. The rate of interest and the period of repayment of

the balance of advance will be fixed by the Financial Adviser & Chief Accounts Officer / Chief Controller of Accounts in individual cases duly considering the amount of Family Pension admissible.

NOTE : As far as possible, the receipt of the family pension should be requested to make some cash payment out of settlement of Life Insurance Policy etc., so that the balance amount of advance along with the interest can be recovered out of family pension within a period of SEVEN years, as the family pension will be paid at an higher rate during that period.

- (4) The mortgage of the property shall be released only after the entire dues to the Board along with interest are fully paid up.

(B4/807/81-82, dt. 24-10-1981)

AGREEMENT

This agreement is made on the between the K.E.B., represented by its Financial Adviser & Chief Accounts Officer hereinafter called the party of the First part and Sri/Smt..... hereinafter called the party of the Second Part.

- (1) Smt./Sri..... of the Second Part hereby acknowledges the liability and undertakes to repay the balance of advance of a sum of Rs. and interest thereon accrued after the death of her/his husband/wife smt./sri..... in instalments to be regulated by the Financial Adviser & Chief Accounts Officer KEB., so that the recovery of the entire amount (plus interest) is completed within a period of years to the KEB., the party of the First Part.
- (2) Smt./Sri.....the party of the Second Part further undertakes to repay the instalment amounts regularly and promptly towards the above stated balance amount and if he/she commits default in payment of any single instalment at any time, the

KEB., the party of the First Part is vested with the right to demand the entire balance amount from him/her and to take appropriate action to recover the same, from him/her.

In witness whereof the parties have signed this Agreement on the day, month and year aforesaid.

Party of the First Part.

Party of the Second Part.

WITNESSES :-

1.

2.

433. Repayment :

- (a) The advance granted to an employee for construction or purchase of a house together with interest thereon shall be repaid in full by monthly instalments within a period not exceeding 25 years or before the date of retirement whichever is earlier.
- (b) The principal amount shall be recovered in 216 monthly instalments (18 years) and the interest shall be recovered in 84 monthly instalments (7 years), if the full period of 25 years is available before the retirement of the employee.
- (c) In the case of house repair advance, the principal is recoverable in 96 monthly instalments (8 years) and the interest in 24 monthly instalments (2 years).
- (d) In the case of purchase of ready built house of a class and maximum age specified in column (1) and (2) respectively of the table below, the advance and the interest thereon shall be repaid within the respective periods specified in the corresponding entries in column (4) and (5) thereon:

Class of house	Normal useful age of the house	Age of the house at the time of granting loan	PERIOD OF REPAYMENT	
			Advance	Interest
1	2	3	4	5
I.	100 years	25 years	15 years	5 years
II.	100 "	20 "	15 "	5 "
III.	66 "	20 "	15 "	5 "
IV.	66 "	15 "	15 "	5 "
V.	20 "	5 "	12 "	4 "
VI.	15 "	3 "	9 "	3 "

NOTE : The sanctioning authority shall satisfy himself by obtaining a certificate from the Executive Engineer (Civil), KEB., as to the class and normal useful age of the house.

- (e) Where the period available for recovery is less than the maximum period, the periods for recovery of principal and interest will have to be proportionately reduced.
- (f) It is open to the employees to repay the amounts in a shorter period if they so desire; in any case the entire advance shall be repaid in full with interest thereon before the date on which they are due to retire from service.
- (g) The amount to be recovered monthly shall be fixed in whole Rupee except in the case of last instalment when the remaining balance including any fraction of a Rupee shall be recovered.
- (h) In order to avoid undue hardship to an employee who is due to retire within 25 years of the date of application for the grant of an advance,

the sanctioning authority may permit him/her to repay the advance with interest in convenient monthly instalments (the amount of which shall not be less than the amount of monthly instalments on the basis of repayment within a period of 25 years) during the remaining period of his/her service provided he/she agrees to the incorporation of a suitable clause in the prescribed agreement and mortgage deed to the effect that the Board shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of retirement :-

- (i) From out of the Insurance amount due on policy or policies assigned in favour of Board at the time of grant of advance when the policy or policies so assigned are taken out in the Life Insurance Corporation of India.
 - (ii) From the whole or any specified part of the Gratuity or DCRG that may be sanctioned to him/her.
- (i) In case the employee does not repay the balance of the advance due to Board on or before the date of his/her retirement, it shall be open to the Board to enforce the security of the mortgage at any time thereafter and recover the balance of the advance due together with interest and cost of recovery, by sale of the house or in such other manner as may be permissible under the law.

434. COMMENCEMENT OF RECOVERY :

A. HOUSE BUILDING ADVANCE :

- (1) In the case of employee owning plots of land recovery shall commence from the SIXTH month following drawal of the first instalment.

OR

From the THIRD month following that which the second instalment is drawn whichever is later.

- (2) In the case of others, recovery shall commence from the SIXTH month following the drawal of the second instalment.

OR

From the THIRD month following that in which the THIRD instalment is drawn, whichever is later.

- (3) The above provisions (1&2) are further subject to the condition that the recovery shall commence from the pay of the month following the completion of the house or from the pay of the TWELFTH month in the case of employees owning plots of land and Eighteenth month in the case of others after the date on which the first instalment was paid, whichever is earlier.

B. HOUSE PURCHASE ADVANCE :

Recovery shall commence with the first issue of pay following the month in which the advance is drawn.

C. HOUSE REPAIR ADVANCE : (including additions, improvements enlargements).

Recovery shall commence from the SIXTH month following the date of drawal of the advance or from the month following that in which the second instalment is drawn, whichever is earlier.

435. SECURITY :

- (1) In order to secure the Board from loss consequent on an employee dying or quitting the service before complete repayment of the advance with the interest accrued thereon, the house built or purchased or repaired, together with the land on which it stands, must be mortgaged to the Board. The mortgage will be released on liquidation of the full amount of the advance together with interest thereon.

NOTE : 1. In case where an advance is sanctioned for effecting repairs, improvement or enlargement to an existing house owned by an employee the sanctioning authority may at its discretion exempt the employee from mortgaging the house in favour of the Board

provided that the advance sanctioned does not exceed the amount of the DCRG to which the employee is eligible on the date of the sanction of the advance.

(B3/2737/75-76/12-9-75 & 24-9-75)

2. In case the mortgagee wants permission to raise a SECOND LOAN by mortgaging his/her house built or purchased or repaired out of an advance sanctioned under the Rules, such permission may be granted by the authority sanctioning the advance subject to the condition that the second mortgage of the house will be without prejudice to the prior right of Board over the property which has already been mortgaged to Board.

(2) (i) When the HBA/HPA/HEA has been fully repaid with interest, the Financial Adviser & Chief Accounts Officer should issue a clearance certificate. Mortgage deed should be returned to the Mortgagor superscribing thereon the words "THE MORTGAGE MONEY IS FULLY RECEIVED. THE DOCUMENT IS RETURNED".

(ii) In case the mortgager wants a reconveyance it should be done at the cost of the mortgagor.

(3) (i) The loanee may execute 'Memorandum of Deposit of Title Deeds in Form No. 2 (HBA), which has been concurred to by the Inspector General of Registration and Commissioner of Stamps in Karnataka.

(B3/201/80-81, dt. 27-11-1980)

(ii) The facility of executing Memorandum of Deposit of Title Deeds by the employees who draw advances for House Construction/ House Purchase/House Repairs including enlargements etc., is extended to all places i.e., irrespective of the location of the property.

(B3/209/80-81, dt. 7-5-81 & 6-3-85)

(4) In addition to the above, the loanee employee :

(a) should assign the L.I.C. Policy in favour of the Board if its surrender value is not less than 25 per cent of the amount of advance.

OR

(b) assign his/her Death-cum-retirement gratuity authorising the Board to adjust the amount of DCRG towards the balance of principal and/or interest remaining unpaid at the time of his/her retirement.

NOTE : The amount of DCRG deemed to be available for this purpose would be the amount due to the employee at the time of retirement calculated on the basis of the appointment held by the employee at the time of submitting his/her application for the grant of the advance.

436. MODE OF DISBURSEMENT :

The mode of disbursement of the advance sanctioned is as follows :-

a) For a House Building Advance, where a plot of land is to be acquired:-

(i) **FIRST INSTALMENT :** An amount not exceeding TWENTY per cent of the sanctioned advance will be payable to the loanee employee for purchasing a plot of land on his/her executing an agreement in the prescribed form (Form No. III) for the repayment of the advance. The land must be purchased and sale deed in respect thereof together with title deeds, encumbrance certificate etc., produced within two months of the date of drawal of the first instalment before the Divisional Officer of the area in which the plot is situated, failing which the loanee employee shall be liable for refund of the entire amount together with interest thereon. The Divisional Officer should report to the sanctioning authority cases of non-compliance, for further action.

- (ii) **SECOND INSTALMENT** : An amount equal to FORTY per cent of the sanctioned advance will be payable on production of the plans approved by the Corporation or Municipality or the Local Body concerned, together with an estimate of the building proposed to be constructed. The Divisional Officer of the concerned area, where the land is situated, will get the mortgage deed (Form No. II) executed in favour of the Board before authorising payment of second instalment.
- (iii) **THIRD INSTALMENT** : An amount equal to FORTY per cent of the sanctioned advance will be payable after the construction of the building has reached the roof level.

NOTE : If the loanee employee draws a lesser amount than the ceiling fixed for the First or the Second instalment under sub-clause (i) or (ii), he/she will be allowed to draw the difference between the amount drawn and the maximum permissible for any instalment along with the subsequent instalment.

b) For a House Building Advance where the loanee employee already owns a plot :-

The advance will be paid in TWO instalments.

- (i) First Instalment - FIFTY per cent of the sanctioned advance will be payable on production of Title Deed of the land, Plan as approved by the Corporation, Municipality or the Local Body concerned together with an estimate of probable expenditure for construction of the building and on execution of the Memorandum of Deposit of Title Deed [FORM No. 2 (HBA)] in favour of the Board.
- (ii) Second Instalment - The balance of FIFTY per cent of the advance will be payable after the construction of the building has reached the roof level.

NOTE : If the loanee employee draws a lesser amount than the maximum fixed for the first instalment under this clause, he / she will be allowed to draw the difference between the amount drawn and the maximum permissible for that instalment along with the second instalment.

c) For a House Purchase Advance :-

- (i) The amount of advance sanctioned will be payable in one lumpsum on the loanee employee executing an agreement in the prescribed form [FORM No.4 (HBA)] for its repayment. The acquisition of the house must be completed and the house mortgaged to the Board within one month from the date of drawal of the advance. The sanctioning authority may, for exceptional reasons to be recorded in writing, extend the time limit by another month.
- (ii) In respect of houses purchased from the Karnataka Housing Board under the HUDCO scheme or under similar schemes of other Development Authority or Statutory Bodies set up or constituted, as the case may be, by the State Government or Central Government, the acquisition of the house and the mortgage of the same must be completed within FOUR MONTHS from the date of drawal of the advance.,
- (iii) The employee who draws the House Purchase Advance, but fails to acquire the house within the stipulated period shall forthwith refund the full amount of the advance together with interest due thereon.

d) Advance for House Repairs (Including Improvements and Enlargements) :-

The advance will be paid in two instalments.

- (i) First Instalment - FIFTY percent of the sanctioned advance will be payable on production of sanctioned plan and an estimate and on execution of the mortgage deed (Form No. II) in favour of the Board.
- (ii) Second Instalment - The balance of FIFTY per cent will be payable after an inspection of the progress of work of repairs or of extension or improvement to the building by the Divisional Officer of the area concerned and on his furnishing a certificate of FIFTY per cent progress out of the advance so drawn.

(B3/5911/76-77 dt. 12-6-78)

437. PROCEDURE :

Applications for SPA/HBA/HPA/HRA should be made in the prescribed Form [FORM No. 1 (HBA)] in duplicate and submitted to the sanctioning authority through proper channel. The following documents should accompany the applications.

- (1) A declaration in regard to house property if any, owned by the applicant;
- (2) In cases, where the applicant happens to be in possession of land and desires to build a new house on it, a copy of the title deed or other proof of the applicant having clear title to land, along with the SITE PLAN;
- (3) In cases where the applicant is not in possession of the land, a declaration to the effect that he/she proposes to acquire the plot with the object of constructing a house thereon, together with TITLE DEED, ENCUMBRANCE CERTIFICATE OR OTHER PROOF that the title is clear and marketable, provided however, that the Board may in its discretion allow such reasonable time as it deems fit, to produce the TITLE DEED, Encumbrance certificate or other proof of title.

- (4) (a) In case where the advance is required for the purchase of ready built house, particulars of the house proposed to be purchased, such as the area of the plot, the built up area, the locality, annual municipal assessment, name and address of the owner and approximate price expected to be paid; and a declaration that the applicant has satisfied himself/herself that the transactions would result in his/her acquiring an indisputable title to the house. A declaration from the owner to the effect that the property is free from encumbrance (supported by an encumbrance certificate obtained from the Sub-Registrar of the area concerned) should be obtained and furnished either with the application or to the Divisional Officer while executing the mortgage bond.
- (b) In cases where the advance is required for purchase of houses/flats allotted to them by the Karnataka Housing Board, an undertaking by the Karnataka Housing Board, in the following form, should be obtained and produced.

If the House/Flat allotted to Sri/Smt..... KEB Employee by the Karnataka Housing Board and proposed to be mortgaged to the Karnataka Electricity Board for raising a loan for purchase of a ready built house/flat is to be brought to sale by the Karnataka Electricity Board for any reason within TEN years from the date of allotment and if the Karnataka Housing Board exercise their right or option of repurchase of the property in terms of the sale/lease-cum-sale agreement, executed by the purchaser, the Karnataka Housing Board shall pay the outstanding amount that may be due to the Karnataka Electricity Board towards the mortgage loan and any further sums that may be due as per the terms of the mortgage deed that will be

executed by the applicant in favour of Karnataka Electricity Board or in the alternative permit Karnataka Electricity Board to deal with the property as may become necessary including bringing to sale as if there is no stipulation in the relevant clauses of the said agreement that it will be offered to the Karnataka Housing Board in the first instance if it is brought for sale within TEN years from the date of allotment.

[See also para 424(f)]

- (5) In case where the applicant requires advance for repairs/extensions or improvements, a copy of the title deed establishing that the applicant possesses indisputable title to the property and a plan for effecting improvements to the house.
- (6) Particulars regarding L.I.C. Policies or D.C.R.G.
- (7) A declaration that he/she has not drawn any loan under the low-income group housing scheme.
- (8) A declaration that his wife/her husband is not an employee of the Karnataka Electricity Board / State Government/Central Government or any other organisation or where she/he is an employee of Karnataka Electricity Board/State Government/Central Government or any other organisation, she/he has not drawn any advance for House Construction/Purchase/Repairs or under the low income group housing scheme.
- (9) The applicant employee shall obtain by himself/herself from any Government Advocate or any Advocate listed in the panel of Advocates of the Board in the form set out hereunder and enclose it to the application.

From a study of documents listed in the encumbrance certificate issued by the Sub-Registrar and other documents produced by the applicant as also the concerned revenue records, I certify that Sri/Smt..... is the absolute owner of the property bearing number..... situated in and it is not a joint family property. He/She has a clear and marketable title to the property.

The documents listed below shall be retained by the Board in a mortgage by a Memorandum of Deposit of Title Deed.

- 1
- 2
- 3
- 4
- 5
- 6.

(Signature)

Place :

Government Advocate

Dated :

Advocate on Panel, KEB.

(B15/5242/81-82, dt. 23-6-1982)

- (10) (a) On receipt of an application from an employee for the grant of an advance for House Construction/Purchase/Repairs, the Divisional Officer/Head of the Office should satisfy himself :-

- (i) that the application is complete in all respects;
 - (ii) that the service & other particulars furnished on the applications are correct;
 - (iii) that all the required documents are enclosed.
- (b) On being satisfied, the application together with all its enclosures should be sent to Chief Engineer, Electy. (General), duly recording a certificate to the effect that the applicant is eligible for the advance and is prepared to abide by the conditions and Rules laid down therefor.

(11) Sanctioning Authorities :

- (a) Chief Engineer, Electy. (General), is the authority competent to sanction advances for House Construction/Purchase/Repairs including extensions, improvements and enlargements to all employees of and below the rank of Assistant Executive Engineers.
- (b) The Chief Engineer, Electy, (General) may also sanction these advances to Accounts Officers.
(B3/367/87-88/23-7-1987)
- (c) In respect of others, *Secretary is the Authority competent to sanction these advances.
*(B5/3410/77-78/13-10-97)

- (12) (a) Before sanctioning or forwarding the application to Board for sanction, the Chief Engineer Electy. (General), will scrutinise the applications and satisfy himself about the correctness of the facts and obtain remarks from the Financial Adviser and Chief Accounts Officer.
- (b) Wherever considered necessary, he may refer the applications to the legal adviser to the Board who will examine all the documents and certify that the applicant possesses a clear title to the property in question and that a claim for a equitable mortgage exists in each case.

- (13) (a) The Sanctioning Authority may sanction an advance under these Regulations subject to the availability of funds.
- (b) On the advance being sanctioned, copies of the order sanctioning the advance, shall be marked to:
- (i) Financial Adviser and Chief Accounts Officer / Chief Controller of Accounts
 - (ii) Applicant.
 - (iii) Divisional Officer; of the area, where the property is situated.
 - (iv) Pay drawing officer.

438. GENERAL PROCEDURE :

- (1) On receipt of the order, sanctioning the advance, the employee, to whom the advance is sanctioned will arrange to complete the prescribed formalities such as, Execution of Agreement on requisite stamp paper, Mortgage Deed, Surety Bond, Undertakings in the prescribed forms, Assignment of L.I.C. policies etc., (wherever necessary) before the Divisional Officer of the area and present him the bill in duplicate, duly stamped and signed. The Divisional Officer will forward that bill to the Chief Controller of Accounts, duly furnishing a certificate to the effect that loanee employee has complied with all the required formalities and for onward transmission to the Financial Adviser and Chief Accounts officer.
- (2) (a) The Financial Adviser and Chief Accounts Officer, will authorise payment after pre-audit on such a bill.
- (b) The Financial Adviser and Chief Accounts Officer will draw cheques / demand drafts in favour of the loanee employees in the case of advances for House Construction or House Repairs. In the case of advances for House Purchase, crossed cheques/ demand drafts will have to be drawn in the name of vendors.

(B4/4471/74-75/22-7-1982)

- (c) The Pay Drawing Officer, on receipt of the cheque / demand draft, after accounting shall deliver or cause delivery of the said cheque/demand draft to the payee, simultaneously intimating the employee.
- (d) The cheque/demand draft drawn in favour of the vendor should be handed over to the vendor by an officer not below the rank of an Assistant Executive Engineer in the presence of the Sub-Registrar or an Officer of the Revenue Department authorised to register documents. Simultaneously with the handing over of the cheque/demand draft, the Board official should obtain a receipt in the following form from the vendor and take steps to have the mortgage executed and obtain possession of all relevant documents like Title Deeds, Khata Certificates, Sale Deeds etc. It would be the responsibility of the Divisional Officer concerned to ensure the above procedure is complied with.
- (e) The Financial Adviser and Chief Accounts Officer / Chief Controller of Accounts after paying the advance in full, shall arrange to send an intimation slip indicating the amount of monthly instalments of recovery and the number of instalments of recovery.

RECEIPT

I, Sri./Smt..... (Vendor) have today received a cheque/
demand draft bearing number dated for Rs.....
(Rupees only), on State Bank of Mysore
Branch, from the Executive Engineer, Elecl., K.E.B., (.....)
(Name of the Division) towards cost of House at number in
..... sold to Sri./Smt..... by way of full and
final settlement of the purchase price of the property in the presence of Sri./
Smt..... Registrar/Sub-Registrar.....

Signature of the Vendor
with Address

Cheque/Demand Draft number dated
for Rs..... (Rupees only) handed
over to the above party. The property is registered in the Sub-Registrar's Office
vide Document number Dated.....

Place :

Dated :

Signature of the Board Official
handing over the Cheque/
Demand Draft and Designation.

(B16/4471/74-75/22-7-1982)

- (3) Bills for the Second/Third instalment of advance should bear the following certificate of the Divisional Officer :

"I am satisfied that the amount previously drawn has been fully spent on the building and that the present instalment may be paid.

Signature of the
Divisional Officer

- (4) In the case of advances sanctioned to employees belonging to groups C & D, the pay drawing officer is required to countersign the bill for advance and send it to Chief Controller of Accounts.
- (5) The pay drawing officers should maintain a register of recoveries, in which the names of employees who have been granted advances, amount of advance sanctioned and paid and the amount and number of instalments of recovery towards principal and interest etc., are recorded. A statement of monthly recoveries should be sent to Chief Controller of Accounts before 10th day of every month.
- (6) The last pay certificate granted to the employees who have taken advances, should specify the original amount of such advance, the amount recovered and the balance remaining due.
- (7) (a) The pay drawing officers should also maintain a register showing the names of employees of their divisions / offices to whom house building advances, have been granted and should arrange to get from them quarterly statements of the progress of construction.
- (b) When no such statements are received for a period of one year or when the reported progress is so unsatisfactory as to amount to a breach of terms of a advance, a report should be made to the Chief Engineer, Electricity, (General). In such cases, the Chief Engineer Electricity, (General) may order the recovery of the balance outstanding at the time, by deduction from the salary of the employee concerned or otherwise and in cases of deliberate use of the money for purposes other than house building with

penal interest at 24 per cent per annum (inclusive of simple interest) or at such rates as may be fixed by the Board from time to time.

- (c) Within a month after the completion of the construction or purchase of a house, the Divisional Officer should send a certificate, in the following form, to the Financial Adviser and Chief Accounts Officer:

"The advance of Rs..... (Rupees drawn by Sri/Smt..... designation..... of sanctioned by Chief Engineer Electricity, (General) / Board in order No..... dated has been fully and properly utilised by him/her for the construction/purchase of the house at number..... and that the construction of the house has been completed according to the specifications or that the purchase of the house has been completed within one month from the date of drawal of the advance as stipulated in the aforesaid order.

Divisional Officer

NOTE : In order to minimise the chances of inaccurate certificate being sent in, the divisional officers should make proper arrangements to have the houses of employees taking house building advances inspected periodically during construction by their Assistant Executive Engineers. The result of such inspection should be noted in the register mentioned above.

- (8) Whenever employees, who have drawn house building / house purchase / house repair advance are transferred, absent on leave, with or without allowances, retired or dismissed and also in cases of death, the pay drawing officers should report immediately all such

changes to the Financial Adviser and Chief Accounts Officer, besides indicating those changes in the monthly Statements that are sent to the Chief Controller of Accounts.

- (9) The pay drawing officers are responsible for the recovery of monthly instalments from the salary of the loanee employees. They are responsible for any irregularity in the recovery of monthly instalments or their non-recovery unless satisfactory reasons therefor are furnished.
- (10) The title deed, agreement, mortgage bond and other documents should be sent to the Financial Adviser and Chief Accounts Officer, for safe custody till such time as the entire amount of advance together with interest thereon is fully repaid/recovered. A certificate to that effect being obtained from the Financial Adviser and Chief Accounts Officer, before reconveyance of the property to the employee is given effect to. The Financial Adviser and Chief Accounts Officer should release all the documents soon after the loans are cleared.
- (11) An employee quitting or removed from the station where he has built a house, before the whole amount of the advance has been liquidated will continue to be liable to the deduction of his/her monthly instalment until the advance has been repaid; with special sanction of the Board he/she may be allowed to dispose of the house provided he/she is thereby enabled to clear off at once the whole amount due or to transfer it to any other Board employee of his/her own rank or higher rank, future deductions being made from the pay of such employee provided that the latter does not owe to the Board any amount on account of house building loan which he/she might have obtained previously, after obtaining agreement, mortgage deed etc., in the prescribed form.
- (12) * Apart from this provision approval is also accorded.
 - (a) to obtain loan assistance from the following Housing Finance Institutions including M/s. HDFC Ltd., to extend housing loan facility to employees :

- (a) M/s. Canfin Homes Ltd.
 - (b) M/s. GIC Housing Finance Ltd.
 - (c) M/s. LIC Housing Finance Ltd.
- (b) to allow interest subsidy only to the extent of difference in interest rate of KEB & HDFC prevailing from time to time and the rest shall be met by employees. This interest subsidy will be borne by the Board treating this as amenity to the employees of the Board.
- (c) to deduct the EMIs towards loan and interest from the salary of the employees and to arrange re-payment to the concerned Finance Institutions as per their terms and conditions of repayment.

* (B3(a)/6454/95-96/24-6-1996.)

APPLICATION FOR {
SITE PURCHASE ADVANCE
HOUSE BUILDING ADVANCE
HOUSE PURCHASE ADVANCE
HOUSE REPAIR ADVANCE
(includes Enlargement, Improvement)
(Strike out whichever is not applicable)

1. Name of the Employee
(in capital letters)

2. Designation
Place of Working
Division/Office

3. Residential Address

4. Date of Birth
Age on next Birthday
Date of attaining the age of 58 years

5. Date of Entry into Service
Period of Service rendered as
on the date of this application

6. Basic Pay	Rs.
Gross Emoluments	Rs.
Total Deductions	Rs.
Net Emoluments Drawn	Rs.

(Enclose salary certificate
with all deductions)

-
7. Is your Wife/Husband is an Employee of
- { K.E.B. State Govt.
 - { Central Govt.
 - { Any other Organisation

If 'Yes' furnish full particulars of Employment on a separate sheet of paper.

8. Are there any Enquiry pending against you?

If 'Yes' furnish details of the case on a separate sheet of paper.

9. If your are a L.I.C. Policy Holder
- Furnish {
- Policy number
 - Sum assured Rs.
 - Premium Rs.
 - Monthly / Quarterly / Half Yearly / Yearly

-
10. If you are owning a House
- { Exact Location
 - { Floor Area
 - { Municipal Valuation
- Name of the Jurisdictional Local Authority
-

11. If your wife / husband / minor child were to own a house / a site
- Furnish its {
- Exact Location
 - Floor / Site Area
 - Municipal Valuation
- Name of the Jurisdictional Local Authority.
-

12. Reasons for desiring to own another house OR to enlarge / improve the living accommodation to the existing house
-

13. Have you taken any loan/advance previously from Board OR from any other source, for House Construction / House Purchase / House Repairs.

If 'Yes' furnish full details.

I solemnly declare that the information furnished by me is true to the best of my knowledge and belief.

I agree to abide by the terms and conditions stipulated in the order sanctioning the advance.

I declare that my wife/husband who is also an employee of the Board has not drawn an advance for House Construction / House Purchase / House Repairs.

Place :

Dated :

Signature of the Employee.

Forwarded to the Chief Engineer, Electy, (General) K.E.B., Bangalore, for consideration. The information furnished on this application have been verified and found correct. HBA/HPA/HR advance applied for is recommended for sanction. I have satisfied myself, on the basis of monthly deductions made from the applicant's salary that the amount of advance, if sanctioned, is well within the repaying capacity of the employee.

Place :

Dated :

Signature of the Pay Drawing Officer.

Designation :

Name of the Division / Office.

HOUSE CONSTRUCTION OR FOR SITE PURCHASE

Amount of Advance Required
for constructing a House

If you own a site

Furnish its { Exact location
Area
Cost

Name of the jurisdictional local authority.
Enclose a copy of the legal document
in evidence of ownership

If you do not own a site, how and when
do you propose to acquire a site

Furnish its { Exact location
Area
Approximate cost

Name of the jurisdictional local authority.
Will you acquire a clear title to the land?

Approximate Floor area of the
House proposed to be constructed.

Cost of construction as per estimate.

Estimate duly countersigned by the Zonal
Executive Engineer (Civil) to be enclosed.

In case the advance is sanctioned,
in how many instalments you
wish to draw the amount of advance.

In how many monthly instalments
you wish to re-pay the principal
and interest.

Any other information

Place :

Dated :

Signature of the Employee.

Remarks of the F.A. & C.A.O. / C.C.A.

Orders of the sanctioning authority.

[To be attached to the Application]

FOR HOUSE PURCHASE

Amount of advance required
for House Purchase

Furnish Exact Location of the House
 Floor area and plinth area
 Approximate age of the House
 Municipal valuation

Name of the jurisdictional local authority.

Name and Address of owner

Approximate price expected to be paid.

Enclose a copy of the Vendor's consent letter & plan of the house

Have you satisfied yourself that the transaction
would result in your acquiring a clear title to the hosue

If you want to purchase a ready built house / flat or an house /
flat under construction, from the Karnataka Housing Board.

Furnish full particulars AND

Enclose No Objection Certificate AND

A true copy of the allotment order issued by KHB.

In how many monthly instalments you wish to repay the principal and interest.

Any other information

Place :

Dated :

Signature of the Employee.

Remarks of the F.A. & C.A.O. / C.C.A.

Orders of the sanctioning authority.

[To be attached to the Application]

**FOR HOUSE REPAIRS
(INCLUDING ENLARGEMENT AND IMPROVEMENT)**

Amount of advance required

Are you the owner of the house

Furnish Exact Location
Existing Accommodation
Municipal valuation
Name of the jurisdictional local authority
Plan of the House

Proposed additions :

Area :

Cost as per the estimate :

Estimate duly countersigned by the
Zonal Executive Engineer (Civil) to be enclosed

In how many monthly instalments you wish to
re-pay the principal and interest.

Any other information

Place :

Dated :

Signature of the Employee.

Remarks of the F.A. & C.A.O. / C.C.A.

Orders of the sanctioning authority.

(B3/201/80-81, dt. 27-11-1980)

MEMORANDUM OF DEPOSIT OF TITLE DEED

THIS MEMORANDUM made this day of between employed in residing at number (present residential address) (herein after referred to as FIRST PART which expression shall wherever the context so requires or admits mean and include his / her heirs, executors, administrators and assigns) of the one part and KEB a body corporate, constituted by Central Act, LIV of 1948 and having its Principal Office at 'Cauvery Bhavan', Bangalore-9 (hereinafter referred to as SECOND PARTY i.e., the Board, which expression shall, whenever context so requires or admits, mean and include its successors and assigns) of the other part witnesseth as follows :

WHEREAS the FIRST PARTY is an employee of the Board and being desirous of construction a house / purchasing a house / enlarging or repairing the existing house at site number..... which is described in Schedule - I hereto applied to the Board for the grant of an advance under the House Building / House Purchase Advance Rules in force in the Board.

WHEREAS the Board has sanctioned an advance of Rs..... (in words)..... on condition that the said advance be repaid as per the said Rules and be secured on the second schedule title deeds relating to the property shown in Schedule-I hereto. The charge is credited on Second Schedule only.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS :

1. In consideration of the grant of advance for House Building / House Purchase / House Enlargement or Repairs made by the Board to the First

Party of the sum of Rs..... (in words)
..... receipt of which payment, the First Party hereby
acknowledge, the First Party has on delivered to and
deposited with the Board at Bangalore and documents of Second
Schedule title pertaining to the property described and denoted in
Schedule-I hereto, which documents are set out in Schdule-II, by way of
security.

2. These title deeds shall be continuing security for the repayment to the Board of all moneys advanced by them to the First Party as embodied in this Deed totalling Rs. (in words).....

THIS FIRST SCHEDULE REFERRED TO ABOVE

Site bearing number..... located at measuring
East to West and North to South (measuring East to
West mtrs and North to Southmtrs. totalling
..... sq. mtrs.) including the accessories thereto and all fixtures and
privileges of every description appurtenant thereto, as detailed below :

Towards North :
South :
East :
West :

THE SECOND SCHEDULE REFERRED TO ABOVE TITLE DEEDS DESCRIPTION OF DOCUMENTS (IN ORIGINAL)

1. All deeds and documents in connection with the site and house.
2. Possession Certificate / Khata Certificate.
3. Alienation Certificate.
4. Nil Encumbrance Certificate.
5. Approved Plan.

In Witness where of the First Part has affixed his / her signature and delivered these documents in the presence of the witnesses attesting hereunder.

First Witness :

Address :

FIRST PARTY

Occupation :

Second Witness :

Address :

Occupation :

Signed by Sri.....

Designation :

On behalf of Secretary, KEB,

Witnesses.

**MEMORANDUM OF DEPOSIT OF TITLE DEEDS TO BE EXECUTED
WHEN THE LAND IS IN THE
NAME OF THE WIFE/HUSBAND OF BOARD EMPLOYEE.**

THIS MEMORANDUM MADE THIS between
(I) son/wife of at
present employed as in the Office of the at
..... and (II) wife/husband of
..... occupation at present
residing at hereinafter referred to respectively as Executant
Numbers I and II (which expression shall wherever the context so requires or
admits, mean and include their heirs, executors, administrators and assigns of
the ONE PART : and Karnataka Electricity Board, a Body corporate constituted
by Central Act LIV of 1948 and having its principal office at
Bangalore (hereinafter called the Board which expression shall wherever the
context so requires or admits, mean and include its succesors and assigns) of the
other part; witnesseth as follows :

WHEREAS Executant Number II is the absolute and sole beneficial owner
is seized and possessed of or otherwise well and sufficiently entitled to the land
and/or house hereditaments and premises hereinafter described in the schedule
hereunder and for greater clearances delineated on the plan annexed hereto and
thereon shown with the boundaries thereof, regarding which the deposit of title
deeds is made with the Board.

AND WHEREAS Executant Number I applied to the II party for an advance
of Rs..... (in words) for the
purpose of enabling Executant number I to construct a house on the said
hereditaments, or to enlarge living accommodation hereditaments, or to enlarge
living accommodation in the house of the said hereditaments.

AND WHEREAS the Board agreed to advance to Executant Number I the
said sum of Rs..... (in words)
on certain terms and conditions.

AND WHEREAS on of the conditions for the above said advance is that the Board should secure the repayment of the said advance and observance of all the terms and conditions contained in the Rules to regulate the grant of advances to employees of the Board for building etc., of House by the Board in its Order No. Dated (herein after referred to as the said Rules, which expression shall wherever the context so admit includes any amendment thereof or addition thereto for the time being in force) by deposit of title deeds of the said property described in the schedule hereunder written.

WHEREAS the Board has sanctioned to Executant Number I an advance of Rs..... on condition that the said advance (including interest due thereon at per annum) be repaid as per the said Rules, and be secured by deposit of title deeds relating to the property denoted in schedule-I hereto and it has been agreed accordingly by Executant Numbers I & II that the said title deeds be deposited as security with the Board.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS :

1. In consideration of the grant of the advance for House Building / House Purchase / House Enlargement or Repairs made by the Board to Executant Number I of the sum of Rs..... out of Rs..... the Board has paid to Executant Number I receipt of which payment Executant Number I hereby acknowledge, Executant Number I & II have on delivered to and deposited with the Board at Bangalore all documents of title pertaining to the property described and denoted in schedule-I hereto, which documents are set out in schedule-II hereto for being held by the Board as security for the aforesaid advance inclusive of interest thereon.
2. These title deeds shall be continuing security for the re-payment to the Board of all monies advanced by the Board to Executant number. I as embodied in this deed totalling Rs.....

THE FIRST SCHEDULE REFERRED TO ABOVE :

Site bearing number..... including the accessories thereto and all fixtures and privileges of every description appurtenant thereto, as detailed below :

Towards North :
South :
East :
West :

THE SECOND SCHEDULE REFERRED TO ABOVE TITLE DEEDS
DESCRIPTION OF DOCUMENTS (IN ORIGINAL)

1. All deeds and documents in connection with the site and house.
2. Possession Certificate / Khata Certificate.
3. Alienation Certificate.
4. Approved Plan.
5. Nil Encumbrance Certificate.
6. Agreement executed by the Executant Number II in form No. 5 (HBA)

IN WITNESS whereof, Executant Numbers I & II have affixed their signatures and delivered these presents in the presence of the witnesses attesting hereunder.

EXECUTANT NUMBER I :

EXECUTANT NUMBER II :

1st Witness :

Address :

Occupation :

2nd Witness :

Address :

Occupation :

Signed by Sri.....

Designation :

On behalf of Secretary, KEB,,

Witnesses.

FORM No. 4 (HBA)

[Para 424 (f) (vii)]

[Para 436 (c) (i)]

FORM OF AGREEMENT TO BE EXECUTED AT THE TIME OF DRAWING AN ADVANCE BY A BOARD EMPLOYEE FOR PURCHASE OF PLOT OF LAND AND BUILDING A HOUSE, ENLARGEMENT OF EXISTING HOUSE AND PURCHASE OF A READY BUILT HOUSE WHERE THE TITLE IS ABSOLUTE.

AN AGREEMENT MADE THIS day of between Son of at present serving as (hereinafter called the 'Borrower' which expression shall unless excluded by or repugnant to the subject or context include his heirs, executors, administrators and legal representatives) of the one part and the Secretary, Karnataka Electricity Board (hereinafter called the Board which expression shall unless excluded by or repugnant to the subject or context include his successors in office and assigns) of the other part, WITNESSETH as follows.

Where as the borrower desires to *purchase land and construct a house thereon *enlarge living accommodation in his/her house at *purchase a ready built house at described in a schedule hereto annexed and WHEREAS the Borrower has under the provision of the Rules framed by the BOARD to regulate the grant of advances to BOARD EMPLOYEES for building etc., of houses (herein after referred to as the "said rules", which expression shall where the context so admits, includes any amendment thereof or addition for the time being in force) applied to the BOARD for an advance of Rupees..... to *purchase the said land and construct a house thereon *enlarge living accommodation in his/her house *purchase a ready built house as aforesaid and the BOARD has sanctioned an advance of

* MENTION WHATEVER IS APPLICABLE

Rupees to the Borrower, vide ORDER No..... dated a copy of which is annexed to these presents for the purpose aforesaid on the terms and conditions set forth therein. NOW IT IS HEREBY AGREED BY and between the parties hereto as follows :-

(1) In consideration of the sum of Rupees..... (insert amount of the first instalment) to be paid by the BOARD after the execution of the agreement for the purchase of land and the sum of Rupees..... (insert balance to be paid) to be paid by the BOARD to the borrower as provided in the said rules, the borrower hereby agrees with the BOARD

(a) to repay to the BOARD the said amount of Rupees (insert full amount sanctioned) with interest calculated in accordance with the said rules for the time being in force by (number to be filled in) monthly instalments of rupees..... from his pay commencing from the month of..... Nineteen Hundred and or from the month following the completion of the house, whichever is earlier and the borrower hereby authorised the Board to make such deductions from his monthly pay, leave salary and subsistence allowance bills.

* MENTION WHATEVER IS APPLICABLE.

(b) *i) Within two months from the date of receipt of the amount of Rs..... (insert amount of instalment to be paid) out of the said sanctioned advance or within such further time as Board / Sanctioning Authority may allow in this behalf, to expend the aforesaid amount in the purchase of land and to produce for inspection of the Divisional Officer the sale deed in respect thereof failing which the borrower shall refund to the Board the entire amount of the advance received by him/her together with interest thereon.

- *ii) Within months from the date of the receipt of the aforesaid advance of Rs..... (Rupees)
to expend the aforesaid amount in the purchase of the said ready built house and mortgage it to the board failing the borrower shall refund forthwith to the Board the entire amount of advance received by him/her together with interest thereon unless an extension of time is granted by the Sanctioning Authority.
 - *iii) To complete construction / enlargement of the said house within eighteen months of strictly in accordance with the plan and specifications to be approved by the Board and on the basis of which the amount of advance is to be computed and sanctioned finally or within such extended period as may be laid down by the Board/Sanctioning Authority.
 - iv) Within months of taking possession of the ready built flat under the housing scheme of the and mortgage it to the Board failing which the borrower shall refund forthwith to the Board the entire amount received by him/her together with interest thereon unless an extension of time is granted by the competent authority.
- (2) If the actual amount paid by the borrower for the purchase of land and building a house thereon/*enlarging the house *the purchase of the ready built house is less than the amount received under these presents by the borrower, to repay the difference to the Board forthwith.
- (3) To execute a document mortgaging the said house/land along with the house to be built thereon to the Board as security for the amount advanced to the borrower under these presents as also for the interest payable for the said amount in the form provided by the said rules.

- (4) *If the land is not purchased and the sale deed thereof not produced for inspection of the divisional officer within two months of the date of drawal of the part of the advance for that purpose or within such further time as the Board / Sanctioning Authority may allow in this behalf/*If the borrower becomes insolvent or quits the service of the Board or dies, the entire amount of advance together with interest accruing thereon shall, immediately become due and payable to the Board.
- (5) The Board shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his/her retirement or death preceding retirement from the whole of any specified part of the gratuity that may be sanctioned to him/her.
- (6) Without prejudice to any other right of the Board in that behalf, if any amount becomes refundable or payable by the borrower to the Board, the Board will be entitled to recover the same by deductions from his/her pay such amounts as the Board shall deem reasonable.
- (7) The borrower agrees that the Board without prejudice to its rights of instituting disciplinary proceedings against the borrower for :
- (i) default in payment of instalment of advance, or
 - (ii) delay in compliance with the conditions prescribed, or
 - (iii) non-utilisation of the advance for the purpose for which it was sanctioned, or
 - (iv) any other case of non-compliance with or contravention of the conditions prescribed in the rule has the right to recover the penal rate of interest.
- (8) And it is hereby lastly agreed and declared that the Board shall be entitled to recover the balance of the said advance with interest

remaining unpaid at the time of his/her retirement or death preceding retirement from the policy amount in the Life Insurance Corporation of India assigned to Board or from the whole or any specified part of the gratuity or death-cum-retirement gratuity assigned to the Board in the form of DCRG certificate that may be sanctioned to him/her.

[Space for 'schedule above referred to']

- (9) The stamp duty payable on these presents shall be borne and paid by the borrower.
- (10) IN WITNESS WHEREOF THE BORROWER has hereunto set his/her hand the Secretary, Karnataka Electricity Board has caused for and on his behalf set his hand the date and year first before written.

SIGNATURE OF THE BORROWER.

Signed by the said Borrower in the presence of :

1st Witness :

Address :

Occupation :

2nd Witness :

Address :

Occupation :

Signed by Sri.....

Designation :

on behalf of Secretary, KEB.

Witnesses.

**FORM OF AGREEMENT TO BE EXECUTED WHEN THE LAND
IS IN THE NAME OF THE WIFE/HUSBAND OF BOARD EMPLOYEE.**

1. Smt./Sri..... Wife/husband of
Sri./Smt..... residing at
..... made this agreement on this
day of One thousand nine hundred and

My husband / wife Sri./Smt..... employed
in the Karnataka Electricity Board is intending to enlarge living accommodation
on hereditaments / Construct a house on the premises. Enlarge living
accommodation of the house described in the schedule hereto annexed over
which I possess good right and lawful authority to grant, convey, transfer, assign
the property. My husband/wife intends applying for advance with the Karnataka
Electricity Board for the enlargement of living accommodation on the
hereditaments/construction of house enlarge of living accommodation of the
house on the said premises. In case the advance applied for by my husband/wife
is sanctioned by the Board, I agree to mortgage the said property to the Board
along with my husband/wife and abide by the rules and regulations stipulated by
the Board in this regard.

Schedule referred to above.

I. Witness

II. Witness

Signature.

ON DEMAND
PROMISSORY NOTE

CONSIDERATION
RECEIPT

Place :..... Dated :.....

Place :..... Dated :.....

Rs.....

On Demand, I promise to pay the Secretary, Karnataka Electricity Board, Bangalore, or order a sum of Rs.....
(Rupees)
.....)
only along with interest thereon at the rate of
.....
.....
for the value received.

Received from the Secretary, Karnataka Electricity Board, Bangalore, a sum of Rs.....
(Rupees)
.....)
only being the consideration amount of the pronote executed by me this day in your favour in the presence of the following witnesses.

Signature on
2 Rs. Revenue Stamp.

Signature on
2 Rs. Revenue Stamp.

WITNESS WITH NAME &
ADDRESS.

WITNESS WITH NAME &
ADDRESS.

1.

1.

2.

2.

ADVANCES FOR PURCHASE OF VEHICLES

439. The following Regulations are prescribed for regulating the grant of advances to the eligible employees, for the purchase of the following vehicles either NEW or SECOND HAND (i.e. used) :

- (1) Motor Car;
- (2) Motor Cycle / Scooter;
- (3) Moped.
- * (4) Tricycle

* (B16/2668/94-95/26-10-95)

440. ELIGIBILITY :

First Condition : Advances under these regulations may be granted to:

- (a) Permanent Employees;
- (b) Temporary employees, without insisting on the surety of a permanent employee subject to the condition that the temporary employee should have put in a minimum service of THREE YEARS and should be borne on the pensionable establishment.

Second Condition :

- (a) In respect of an advance for purchase of Motor Car :

An employee drawing a pay of *Rs. 4,760/- and above per month is alone eligible for the grant of an advance for the purchase of Motor Car.

* (B16/2668/94-95/26-10-95)

- (b) In respect of an advance for the purchase of Motor Cycle / Scooter :

An employee drawing a pay of Rs. *2,610/- and above per month is eligible for the grant of an advance for purchase of Motor Cycle / Scooter.

* (B16/2668/94-95/26-10-95)

- (c) In respect of an advance for the purchase of Moped :

* An employee drawing a pay of Rs. 2,110/- and Driver of Board vehicle drawing basic pay of Rs. 1,390/- and above per month is eligible for the grant of an advance for purchase of a new or the used Moped.

* (B16/2668/94-95/26-10-95)

Third Condition :

The grant of an advance for purchase of Motor Car or Motor Cycle or Scooter or Moped is subject to the condition that the sanctioning authority is satisfied that it will be useful in the interests of Board's service, if the employee possesses the conveyance in question for the performance of his/her official duties.

Fourth Condition :

The advance is not admissible to an employee who has a service of Five years prior to the date of his/her retirement.

Fifth Condition :

In the case of an advance for the purchase of second-hand (used) vehicle, it should be ensured that the age of the vehicle is within TEN years.

441. Number of Advances :

Advances under these Regulations may be granted as often as necessary in the interest of the Board. An employee who has taken an advance will however not be entitled for a fresh advance before the previous advance and interest due thereon is fully repaid. In the case of second and subsequent advances, there should be an interval of atleast six years between the previous advance and subsequent advance.

Board may relax this limit in special cases.

442. Amount of Advance :

(a) Motor Car Advance :

(i) First Occasion *Rs. 1,20,000/- (Rupees One Lakh Twenty thousand only)

OR

*35 (Thirty five) months pay

OR

Price of the car to be purchased whichever is the least.

* (B16/2668/94-95/26-10-95)

- (ii) Second or Subsequent Occasions : * Rs. 1,20,000/- (Rupees One lakh twenty thousand) only less the profit earned on the sale of the previous vehicle purchased with the Board loan (i.e. the excess of the sale proceeds over the price paid at the time of its purchase).

OR

* 35 (Thirty Five) months pay,

OR

Price of the car to be purchased whichever is the least.

(B16/2668/94-95/26-10-95)

(b) Motor Cycle / Scooter Advance :

- (i) First Occasion * 12 (Twelve) months pay subject to a maximum of Rs. 20,000/- (Twenty thousand) only for the purchase of a new or the used vehicle.

- (ii) Second or Subsequent Occasion : * Rs. 20,000/- (Rupees Twenty thousand) only less the profit earned on the sale of the previous vehicle purchased with the Board loan. (i.e. the excess of the sale proceeds over the price paid at the time of the purchase)

OR

*12 (Twelve) months pay.

OR

*Price of the vehicle to be purchased whichever is the least.

*(B16/2668/94-95/26-10-95)

- (c) Moped Advance : * Equal to 8 (eight) months pay subject to a maximum of Rs. 7500/- (Rupees seven thousand five hundred) only for the first and subsequent occasions.

*(B16/2668/94-95/26-10-95)

- (d) In all these cases, the amount of advance shall not exceed the anticipated price of the Motor Car / Motor Cycle / Scooter / Moped. In case the actual price paid were to be less than the amount of advance drawn, the balance amount must be refunded within three days from the date of purchase of the vehicle.

The expression 'Actual Price' may include the price of essential accessories to be purchased along with the vehicles, taxes and local levies.

Example : Spare wheel, tyre and tube, pillion seat in Motor Cycle / Scooter.

443. Sanctioning Authorities :

- (a) * Secretary is the authority competent to sanction advance for the purchase of Motor Car.
* (B5/3410/77-78/13-10-97)
- (b) Chief Engineer, Electricity (General) is the authority competent to sanction advances for the purchase of Motor Cycle/Scooter/Moped Tricycle.

444. INTEREST :

- *(a) Advances granted for the purchase of Motor Car shall carry simple interest at 12 $\frac{1}{2}$ (Twelve and half) percent per annum.
- *(b) Advances granted for the purchase of Motor Cycle / Scooter / Moped shall carry simple interest at 11 $\frac{1}{2}$ (Eleven and half) percent per annum.
- *(c) Advances granted for the purchase of Tricycle shall carry simple interest at 12 $\frac{1}{2}$ (Twelve and half) percent per annum.
* (B16/2668/94-95/26-10-1995)

445. PENAL INTEREST :

- (a) For contravention of the conditions of grant of an advance for the purchase of a vehicle, penal interest at 24 percent per annum (inclusive of simple interest) shall be levied.

(B16/4471/74-75, dt. 6-2-1988)

(b) The levy of penal interest will not prevent the sanctioning authority from taking disciplinary action against an employee for wilful disregard of these rules and / or conditions of grant of an advance.

446. WAIVAL OF INTEREST :

In the event of death of an employee in service before repayment in full of the principal of motor car / motor cycle / scooter / moped / tricycle purchase advance drawn by him / her and / or interest due thereon, the entire interest including penal interest in cases where recovery of interest has not commenced or the balance amount of unrecovered interest including penal interest in cases where interest has partially been recovered upto the date of death shall be waived by the authority which sanctioned the advance or by the Financial Adviser & Chief Accounts Officer.

447. REPAYMENT / RECOVERY :

The maximum period for the repayment / recovery towards principal and interest by cash payments or by recoveries from salaries shall be as follows :

Nature of Advance		Maximum period for repayment / recovery.	No. of Monthly Instalment towards	
			Principal	Interest
Motor Car Advance	First or Subsequent advance.	10 years	100	20
Motor Cycle or Scooter Advance	First Advance	6 years	60	12
	Second or Subsequent advance.	5 years	50	10

Nature of Advance		Maximum period for repayment / recovery.	No. of Monthly Instalment towards	
			Principal	Interest
Moped Advance	First or Subsequent advance.	5 years	50	10
(SA. III/4871/78-79/22-9-1978)				
* Tricycle Advance	First or Subsequent advance.	10 years	100	20
* (B16/2668/94-95/26-10-95)				

- NOTE:**
1. It will be open to the employees to repay the amounts in shorter period, if they so desire.
 2. In the case of an employee who is due to retire within the maximum period of repayment of principal and payment of interest thereon, the monthly instalments should be so regulated as to ensure the recovery of the full amount of advance together with interest before retirement of the employee.
 3. In case such an arrangement (vide Note 2) were to result in undue hardship, the sanctioning authority may permit the employee to repay the amount of advance with interest in convenient monthly instalments during the remaining period of service of that employee subject to the following conditions :-
 - (a) the amount of monthly instalment should not be less than the amount of monthly instalment recoverable during the maximum period of repayment, and
 - (b) the employee agrees to the incorporation of a suitable clause in the Agreement and Mortgage deed to the effect that the Board shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of

retirement from out of DCRG and if necessary from out of any other amount payable.

4. In all the aforesaid cases, a suitable clause should be stipulated in the order sanctioning the advance.
5. The amount of advance and the amount of interest to be recovered monthly should be fixed in whole Rupees except in the case of the last instalment when the remaining balance including any fraction of a Rupee should be recovered.

448. COMMENCEMENT OF RECOVERY :

Recovery will commence with the first issue of pay after the advance is drawn. Recovery will be made by deduction in monthly instalments as fixed either by the Sanctioning Authority or by the Chief Controller of Accounts, from the salary of the employee.

449. SECURITY :

- (a) In order to secure Board from loss, the vehicles purchased will have to be mortgaged to the Board and the mortgage will be released on liquidation of the full amount of advance together with interest thereon.

NOTE: 1. The mortgage bond will be in the prescribed form.

2. Mortgage deeds, agreements executed by the employees are subject to payment of stamp duty.

- (b) In addition to mortgaging the vehicle, the employee must cover the vehicle with a comprehensive risk policy with an Insurance Company.

NOTE : In case the vehicle is not eligible for comprehensive cover on account of its age such vehicle should be insured against FIRE & THEFT risk in addition to third party risk insurance.

(B3/856/77-78, dt. 6-2-1978)

- (c) Such insurance should be effected within THREE MONTHS from the date of purchase of the vehicle and the fact intimated to the Financial Adviser & Chief Accounts Officer / Chief Controller of Accounts. The Financial Adviser & Chief Accounts Officer / Chief Controller of

Accounts will then arrange to obtain from the employee a letter (in the form hereinafter prescribed) addressed to the Insurance Company with which the vehicle is insured to notify the fact that the Karnataka Electricity Board is interested in the insurance policy secured. The Financial Adviser & Chief Accounts Officer / Chief Controller of Accounts will then forward the letter to the concerned insurance company and obtain acknowledgement. In the case of insurance effected on annual basis, the process should be repeated every year until the advance with interest is fully repaid.

NOTE : In case the vehicle purchased by the employee is a second hand one and it has already a comprehensive risk insurance cover which is still in force the employee shall re-insure the vehicle from the date of expiry of that policy. In such a case, the provisions of the above clause (c) shall be followed at the time of reinsurance. The interest of Board in the vehicle should however be got noted in the old policy immediately on purchase by addressing the insurer.

- (d) Contravention of these rules will render the employee liable to refund the entire amount of advance drawn with interest accrued thereon unless satisfactory reason is shown to the contrary. If satisfactory reasons are furnished to the authority sanctioning the advance for the non-compliance of the conditions on which the advance was sanctioned, that authority may order that the entire amount of advance is not refundable upto the date of compliance. However, such penal interest may not be enforced if the non-compliance is due to circumstances beyond the control of the employee.
- (e) The amount for which the vehicle is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount so due is completely repaid. If at any time and for any reason the amount insured under a current policy is less than the outstanding balance of the advance including interest already accrued the employee should refund the difference to Board. The amount to be refunded must be recovered in not more than THREE monthly instalments.

Form of letter intimating the Insurance company Board's interest in Insurance Policies of Motor Car / Motor Cycles / Scooters / Mopeds. (see clause-c)

From :

.....

(Name, Designation and address of the employee)

To :

.....

(Name and address of Insurance Company)

Through :

Financial Adviser and Chief
Accounts Officer / Chief Controller of Accounts,
KEB., Bangalore.

Sir,

I am to inform that Karnataka Electricity Board is interested in Motor Car / Motor Cycle / Scooter / Moped insurance policy secured in your company and to request that you will kindly insert a clause to the following effect in the policy :

Form of Clause to be inserted in the Insurance Policy :

1. It is hereby declared and agreed that Sri./Smt..... (the owner of the Motor Car / MotorCycle / Scooter / Moped hereinafter referred to as the Insured in the schedule to this policy) has hypothecated the Motor Car/Motor Cycle/Scooter/Moped to Karnataka Electricity Board as security for an advance for the purchase of Motor Car/Motor Cycle/ Scooter/Moped and it is further declared and agreed that the Karnataka Electricity Board is interested in any moneys which but for the endorsement would be payable to the said Sri./Smt.....

(the insured under this policy) in respect of the loss or damage to the said Motor Car / Motor Cycle / Scooter / Moped (which loss or damage is not made good by repair, reinstatement or replacement) and such moneys shall be paid to the Karnataka Electricity Board as long as the Karnataka Electricity Board is the mortgagee of the Motor Car/Motor Cycle/Scooter/Moped and their receipt shall be full and final discharge to the company in respect of such loss or damage.

2. Save as by this endorsement expressly agreed nothing herein shall modify or effect the rights or liabilities of the insured or the company respectively under or in connection with this policy or any term, provision or conditions thereof.

Yours faithfully,

Bangalore :

Date :

Signature of the Employee.

450. The vehicle, purchased out of the advance, shall not be sold before the advance with interest has been fully repaid. In case the vehicle is to be sold, before the advance together with interest is fully repaid, then the previous permission of the authority, sanctioning the advance, should be obtained for the sale. In case such a sale is permitted, the sale proceeds must be applied so far as may be necessary towards the repayment of outstanding balance and interest thereon. In case the vehicle is proposed to be sold only in order to purchase another vehicle, the authority which sanctioned the advance may permit the employee to apply the sale proceeds towards such purchase subject to the following conditions.

- (a) The amount outstanding shall not be permitted to exceed the cost of the Motor Car / Motor Cycle / Scooter / Moped, to be purchased.
- (b) The amount outstanding shall continue to be repaid at the rate previously fixed; AND
- (c) The vehicle (i.e. Motor Car / Motor Cycle / Scooter / Moped) shall be purchased within a period of ONE month from the date of sale of the vehicle and the vehicle purchased shall be insured and mortgaged to the Board within that period, failing such completion within the said period the outstanding advance with interest thereon shall forthwith be refunded to the Board.

451. PROCEDURE :

- (1) Application for an advance for purchase of Motor Car / Motor Cycle / Scooter / Moped / Tricycle should be made in the prescribed form and submitted to the appropriate Sanctioning Authority through Head of Office / Divisional Officer.
- (2) The application for second or subsequent advance shall be routed through the Chief Controller of Accounts. The Chief Controller of Accounts will forward the application to the appropriate sanctioning authority duly recording a clearance certificate on the application in respect of the previous advance.
- (3) The sanctioning authority will accord sanction after due scrutiny of the application and subject to availability of funds.

- (4) Copies of the order, sanctioning the advance, shall be sent to the applicant (employee), Financial Adviser and Chief Accounts Officer, Chief Controller of Accounts, concerned Head of Office / Divisional Officer and to the Chief Engineer, Electricity (General) in respect of sanctions accorded by the Board.
- (5) The employee, on receipt of the copy of the order sanctioning the advance shall present a bill in duplicate (in the prescribed form) duly signed, by affixing 2 Rupee Revenue Stamp together with the following documents to the pay drawing officer :
- (i) Promissory Note.
 - (ii) Consideration Receipt.
 - (iii) An agreement in the prescribed form duly executed on a stamped paper of appropriate value ;
 - (iv) Firm's Proforma Invoices (in the case of new vehicles)
 - (v) Vendor's consent letter (in the case of second hand vehicles) together with a photostat copy of an extract of registration certificate in evidence of the ownership of the vehicle.
- (6) The pay drawing officer should forward the bill together with the relevant documents to the Financial Adviser and Chief Accounts Officer / Chief Controller of Accounts after ensuring that they are complete in all respects, besides furnishing the prescribed certificates.
(Certificates are printed on the bill form)
- (7) The Financial Adviser and Chief Accounts Officer / Chief Controller of Accounts will pass the bill after due checks and draw cheques in cases of payments at Bangalore or obtain demand drafts in the cases of payments outside Bangalore, in favour of firms or vendors. The cheques or the demand drafts shall be sent to the concerned pay drawing officer together with the duplicate copy of the passed bill retaining the documents.
- (8) An intimation slip indicating the amount of monthly instalment to be recovered towards principal and interest and the number of

instalments of recovery shall also be sent along with the cheque/ demand draft.

- (9) The pay drawing officer, on receipt of the cheque/demand draft, after accounting it, shall deliver or cause delivery of the cheque/demand draft to the payee, simultaneously intimating the employee.
- (10) The employee should purchase the vehicle (Motor Car / Motor Cycle / Scooter / Moped as the case may be) within ONE month from the date of delivery of the cheque / demand draft and get it insured and execute the mortgage bond in prescribed form on a stamped paper of appropriate value hypothecating the vehicle to the Board as security for the advance. The employee should hand over the firm's / vendor's receipt, the mortgage deed and photostat copy of the insurance cover to the pay drawing officer, within the said period of one month, for onward transmission to the Financial Adviser & Chief Accounts Officer/ Chief Controller of Accounts.
- (11) The sanctioning authority may, for exceptional reasons to be recorded in writing, extend the time limit of one month by another one month.
- (12) The Divisional Officer / Head of the Office should also see that the vehicle is purchased and the mortgage bond is executed by the employee, who has drawn the advance, within the stipulated period, cases of non-compliance within the stipulated period shall be reported to the sanctioning authority.
- (13) The Divisional Officer / Head of Office, will have to take timely action to get the Board's name entered in the registers of regional transport authority through 'C' form, according to which the interest of the Board will be entered in the register as mortgages of the vehicle. The required fee on this account will be paid by the employee.
- (14) In case an employee fails to purchase the vehicle and comply with other related requirements within the stipulated period, such an employee shall forthwith refund the entire amount of advance together with interest.

- (15) Financial Adviser and Chief Accounts Officer / Chief Controller of Accounts should also watch for the timely receipt of the documents. The documents when received shall be examined for their correctness.
- (16) All documents viz., Agreements, Mortgage deeds etc., shall be kept in the safe custody by the Financial Adviser & Chief Accounts Officer. When the advance together with interest has been fully recovered or repaid, the documents should be returned to the employee, duly discharged, through the concerned Divisional Officer / Head of the Office.
- (17) Advance for purchase of vehicles and recoveries towards principal shall be accounted under Account Code 27.102 - Loans and Advances to staff - vehicles.
Amount recovered towards Interest should be accounted under Account Code 62.210 - Interest on Loans and Advances to staff.
- (18) When an employee is transferred from one establishment to another, the balance amount of outstanding on the date of transfer shall be noted on the last pay certificate and the debit transferred through an advice of transfer and the fact reported to the Financial Adviser & Chief Accounts Officer/ Chief Controller of Accounts.