



**NATIONAL FERTILIZERS LTD
CORPORATE OFFICE : PERSONNEL DEPARTMENT : NOIDA**

CIRCULAR NO.PA 1104 133

No: NFL/CO/Pers/IR/1(186)/399/

August 3, 2007

Sub. : House Building Advance

The matter regarding amendment in the existing Policy for grant of House Building Advance to the employees was under consideration of the Management for quite some time.

It has now been decided to reduce the eligibility period for grant of HBA from the existing 10 years service to 3 years and enhance the loan amount from Rs. 3 lakh to Rs. 10 lakhs, with immediate effect. The interest on HBA beyond Rs. 3 lakhs will be charged on the prevailing PLR of SBI, to be reviewed twice a year in the months of April & October. The detailed Scheme is enclosed.

**(K.B. Verma)
Chief General Manager (HR)**

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- Head of F & A Deptt, Nangal / Bhatinda / Panipat / Vijaipur
- Zonal Manager, NFL Bhopal / Chandigarh / Lucknow/

House Building Advance

The employees of the Company would be eligible for the advance for construction of the house or Repair/ Renovation of the house or purchase of a ready built house / flat on the following terms and conditions:

1.1 Eligibility:

- a) Board Level Executives.
- b) Regular employees of the company, who have put in a minimum of 03 years of regular service in the Company.
- c) In case both husband and wife are employed in the company, only one of them will be eligible for grant of advance.
- d) HBA will also be allowed afresh to such employees who could not utilize the HBA granted earlier and have refunded the advance along with penal interest.

Note: The grant of advance for House Building to an employee will be at the sole discretion of the Management and the decision taken in this regard in any particular case will be final and binding.

1.2 Purpose for grant of advance:

The advance will be admissible for

- a) Purchase of land for construction of house; and / or construction of a house; or
- b) Purchase of ready built flat/ house from a Public Housing Agency, including a cooperative Housing Society. Ready built new house / flat can be purchased from reputed builders engaged in construction of group houses such as DLF, Ansal Properties etc.
- c) Purchase of House / Flat from private parties in line with Central Government Rules and subject to the following conditions :
 - i) The house / flat to be purchased should be new and un-lived one.
 - ii) The applicant will have to get the house / flat valued by Registered Valuers and the valuation fee will have to be paid by the applicant himself.

The condition of newness and un-lived one may be satisfied by ascertaining the following facts:

- The number and date of approval of the building plan issued by Municipal Authorities by verifying the original plan.
- The date of commencement of construction and date of completion certificate issued by Municipal Authorities.

- The tax bill and receipt issued by Municipality; and
- Neighbourhood enquiries, if necessary.
- d) Repair/ Renovation of an existing house for which house building advance had not been taken earlier.
- e) Grant of HBA in the case of joint ownership of plot / house by an employee and his / her wife/ husband.
 - i) HBA may be granted to an employee for construction of house on the plot owned jointly with his / her spouse or for Repair/ Renovation of house jointly owned with his / her spouse, even if, one of them is not working in NFL.
 - ii) HBA may also be granted for purchase of plot / ready built flat jointly with the spouse, even if, one of them is not working in NFL.
- f) The following advance as above shall be subject to the following conditions.
 - i) Both husband and wife are willing to mortgage such jointly held land / house as a security for repayment of advance.
 - ii) As a security for the advance, the employee and his /her spouse shall be treated as co-borrower and they shall jointly create the mortgage or surrender to the Company Title Deeds in lieu of the mortgage as required under the Company's rules.
 - iii) All the formalities with regard to grant of HBA under the rules required to be completed individually would be completed jointly with the spouse by treating him / her as a co-borrower. Accordingly, the application for the advance will also be signed jointly by the employee and his / her spouse

Note:

- i) Where advance is taken for purchase of land as well as construction of house, the cost of land should not exceed 40% of the total value.
- ii) House Building loan will be subject to the availability of funds and the loan will be sanctioned on the merit of each case.

1.3 Amount of Advance

a) For purchase / construction of House / Flat

Subject to the repaying capacity of the advance (as per method given in Annexure –A) of the concerned employee, the amount admissible would be :-

- i) 100 times of the pay of the employee at the time of application ; or
- ii) Cost of construction as per approved plan and cost of land (if advance for land is also taken); or the cost of flat / house to be purchased; or
- iii) Rs. 10,00,000/-,
whichever is the least.

b) For Repair / Renovation:

For Repair / Renovation of an existing house, the maximum amount admissible would be limited to 80% of the cost of Repair/ Renovation or 35 times the employees' pay or Rs. 5.0 lakh or repaying capacity as per HBA Rules, whichever is the least.

Note:

- i) Definition of Pay
Pay includes Basic Pay + SP + PP + DA.
- ii) The amount of advance to be sanctioned will be restricted, according to the repaying capacity of the applicant in accordance with the norms laid down at Annexure 'A' and after taking into account the monthly deduction of the applicant at the time of his application and also after observing the limit of deductions prescribed in Payment of Wages Act for such of the employees, who are governed by that Act.

1.4 Repayment of Advance

The advance together with the interest shall be recovered from the employee before he / she retires from the service of the company. The number of monthly installments within which both the advance and the interest thereon, shall be recovered shall not exceed 240 from the date of commencement of repayment of the 1st installment.

1.5 Commencement of Repayment :

In the case of construction of a new house or Repair/ Renovation of an existing house, recovery shall commence from the pay of the month following the completion of construction of the house or the pay of the 18th month after disbursement of the 1st installment, whichever is earlier. In case purchase of land is also involved, the recovery shall commence from the 24th month instead of the 18th month, as aforesaid. In case of purchase of a ready built house / flat, recovery shall start from the pay of the 3rd month, following the month in which the advance is taken. However, the concerned employee may at his option commence repayment of the advance earlier than the period prescribed in this Rule. The monthly installment of repayment shall be determined according to the repaying capacity subject to stipulation made in para 1.4 above.

Note: In those cases where the possession of the flat has been delayed by the Housing Board/ Cooperative Society etc. due to the reasons beyond the control of the employee, beyond a period of 18 months after the drawal of the 1st installments of loan, relaxation up to 6 months over the initial period of 18 months may be granted by the D(F) / GMs on the recommendation of the Head of the Department and the Finance & Accounts Department. Similarly where house is under construction by the employee himself on a plot purchased by him out of the HBA, extension up to 6 months over and above 24 months, provided under the Rules may be given by the Competent Authority on the merit of the case.

1.6 Interest

- a) The interest on HBA will be charged at uniform rate upto Rs. 3.0 lakhs based on the total amount of advance as detailed below:

Sanctioned Amount	Sanctioned Amount
Upto Rs. 50,000	5.0%
Rs. 50,001 to Rs.1,50,000	6.5%
Rs. 1,50,000 to Rs. 3,00,000	8.5%
Rs. 3,00,001-10,00,000	Prevailing PLR of SBI

In the event of change in the interest rate for grant of HBA in respect of Central Govt. employees, for loan upto Rs. 3 lakhs, the same will be applicable in NFL. HBA beyond Rs. 3 lakh will be, however, on the prevailing PLR of SBI which will be reviewed twice each year in the months of April & October, based on PLR existing as on 31st March & 30th September respectively.

For repair/ renovation :-

- i) Employees who have been sanctioned HBA earlier, in their case the interest will be charged at the prevailing PLR of SBI .
- ii) Employees who have not drawn HBA earlier in their case interest will be charged as mentioned at 1.6 (a) above.

Note: If an employee takes House Building Advance for purchase of land, but fails to undertake the construction of his house within a period of six months, the amount of advance taken for purchase of land will be refunded by him in one lump sum along with interest at the rate of 1% above the bank rate.

- b) Subsidising of interest amount on arranging loan from specialised outside agencies .

In line with the instructions received from DPE vide their office memorandum No. 2 (37)/ 85/ DPE (WC) dated 12.11.86 (copy enclosed at Annexure XIV), employees may at their option avail the loan as per scheme of specialized financial institution placed at Annexure XV viz. LIC, Nationalised Banks and Housing Development Finance Corporation Ltd. for the construction / purchase of house and the difference in the rate of interest being charged by the said financial institutions (ceiling of such interest rate being 15% per annum) and the rate of interest prevalent in the Company from time to time would be subsidized by the Company. This is subject to the condition that the liability of the company towards difference in the interest amount would be strictly limited to the extent of its obligation under the Company's HBA Rules.

Accordingly, Company's subsidy towards difference in the amount of interest would be regulated as under:

i) Eligibility for HBA would be strictly adjudged as per company's HBA Rules. Thus if an employee is not eligible for HBA as per Company's rules but due to different eligibility criteria of the specialized outside agencies, is granted HBA by these agencies, company would not be liable for payment of difference in the rate of interest on the loan so raised by the employee.

ii) Quantum of Advance:

The company's liability would be restricted to the quantum of advance permissible under the Company's HBA rules and nothing beyond that. Thus if the quantum of advance payable under the Company's HBA Rules, is lower than the advance raised from the specialized agencies by an employee, the company's liability would be restricted to the extent of his entitlement.

iii) In working out the difference in the amount of interest, the recoveries of installments for repayment of loan and the manner of calculation of interest would be strictly in accordance with the company's HBA Rules. Thus impact of variation in the amount of interest due to different method / manner adopted by the said specified outside agencies would not be the liability of the company.

iv) Likewise, impact in the difference of interest amount due to any relaxation / deviation allowed by the said specified agencies would not be the liability of the company.

v) The employees should give prior intimation to the company, of their proposal to draw House Building Advance from any of these specified agencies and also of the actual drawal of advance from time to time giving the detailed terms and conditions. This is an essential pre-condition for granting the interest subsidy.

Note:

i) The above scheme is effective from the date of issue of the Circular. As such loan, if any raised earlier by an employee is not covered under the scheme.

ii) Other procedures if required to be complied with by the employee, will be formulated and notified from time to time.

1.7 Mode of Disbursement:

a) The advance for purchase of a ready built house/ flat will be paid in one lump sum, provided the payment to the seller of the house/ flat is required to be made in lump sum. In case the payment for the flat / house is to be made in installments the payment of advance will also be regulated accordingly in installments.

b) The disbursement for Repair/ Renovation of the house or purchase of land and / or construction of house shall be made in three or more installments, as may be desired by the employee. No installments will be more than 1/3 of the amount of advance sanctioned.

- c) The Advance will be granted subject to availability of funds.

1.8 Insurance of Outstanding House Building Advance :

A self insurance scheme for the purpose of providing insurance cover for outstanding HBA and interest due thereon has been implemented within the following parameters :-

- a) Employee who has taken House Building Advance from the company will contribute under the Self Insurance Scheme Rs. 0.50/ 1000 per annum of the amount of HBA outstanding and interest due thereon in his name as on 1st April of each financial year, which would be recovered in lump sum in the month of April/May each year.
- b) An assurance shall be effected on the life of each member under one year renewable term assurance plan for a sum assured equal to the outstanding indebtedness towards the employer which includes both the Principal, loan and the interest from the entry rate to the terminal date of member, subject to a max. of Rs. 10 lakhs. The assurance shall be held by the employer UPON TRUST for the benefit of the persons and titled to in accordance with the Rules.
- c) The sum assured under the assurance shall become payable only in the event of death of the member whilst in service prior to the terminal date, provided the assurance is enforced at that time.
- d) The accounts relating to the subject scheme will be maintained separately at Corporate Office. The entire contribution would be kept in a separate bank account under the name and style of NFL Employees House Building Advance Insurance Account". The amount so deposited in the Account will be invested in FDRs. The bank Account will be operated jointly by any two of the followings :
- 1) Chief Manager (F & A), C.O
 - 2) Chief Manager (P & A), C.O
 - 3) Dy. Manager (F & A), C.O

- e) Following governing body has been constituted to operate the Scheme :

GM(F & A)/CGM (F&A), C.O	Chairman
Head of F & A Deptt of each Unit / CMO	Member
Chief Manager (P & A),C.O	Member
Chairman of Officer's Federation	Member
Coordinator of CCORU	Member
Manager (F & A) of dealing section, C.O	Member Secretary

- f) The governing body will meet as and when required, but at least once during the financial year to finalize the accounts etc. The quorum of the body will be 1/3rd of the total strength or four, whichever is higher. The minutes of the meeting of the governing body should be recorded within 30 days of the meeting and should be signed by all the members present in the meeting. The accounts maintained for the purpose shall be got audited from the Internal Audit Deptt., Corporate Office.
- g) The governing body shall review the funds position of the scheme annually or at such intervals, as may be deemed fit and recommend to the management any revision in the rate of contribution under the Scheme so as to ensure financial viability of the fund.

1.9 General Conditions

The disbursement of the House Building advance shall be subject to the following conditions :

- a) The title deeds of the land should be clear and without any encumbrances.
- b) The construction of the house should be in accordance with the plan duly approved by the competent municipal authorities of the concerned area and acceptable to the company.
- c) The employees shall arrange for necessary insurance against fire, flood & lightening. The employee shall assign such policy in favour of NFL during the period loan and / or interest is outstanding. The employee shall also give an irrevocable power of attorney authorizing NFL to arrange the policy of renewal of insurance policy on behalf of the employee. The premium paid towards the insurance policy would be recovered from the salary of the employee. This would be resorted to if the employee defaults in arranging needful.
- d) The advance sanctioned, if not utilized for the purpose within a reasonable time (to be specified while sanctioning the advance) and / or the terms and conditions governing the drawal of advance are not complied with by the employee, the employee will have to refund the advance amount and the interest thereon @ 1% above bank rate in one lump sum.
- e) Conditions to be fulfilled for grant of advance for purchase of ready – built flat / house :
 - i) It is to be acquired on outright purchase basis and not on hire purchase basis.
 - ii) The employee gets from the allotting agency the rights to mortgage the house / flat to the company.

- iii) The cost of the flat / house has not already been fully paid by the employee.
- f) If the employee ceases to be in service of the company by virtue of resignation, death or by retirement or his services are terminated by the company before the repayment of advance interest, cost etc. in full, the entire outstanding amount thereof shall become immediately payable to the company upon the happening of any such event and the failure to do so will enable the company to enforce the mortgage security and take such other action to effect the recovery, as the company may deem fit.
- g) Any matter relating to other conditions / interpretations in regard to the housing advance not covered by these rules will be governed by the Govt. of India House Building Rules and / or guidelines relating to allotment etc. issued by the Govt. from time to time.
- h) Floor area of the house shall not be less than 22 sq. mtr.
- i) An employee who has constructed the house or purchased a ready - built house / flat by taking advance at his place of work under this scheme will not be entitled to get a house in Company's township and he will have to vacate Company's quarter; if already occupied within the stipulated period.
- j) An employee who has constructed a house or purchased a ready - built house / flat at his place of work by taking advance under this scheme will also not be entitled to keep a house rented by him under the tripartite agreement beyond the stipulated period.
- k) Where the officers have taken house building loan from the company and have constructed / purchased house / flat and they do not want to live themselves in the house/ flat, the company will have the first priority of hiring the house / flat for the employees of the company.
- l) In cases where the employees intend to apply for registration of house / plot with State Housing Board or any Govt. agency and the house / plot allotment rules of the said agency ensure allotment of house / plot to the applicant, the registration money for such an allotment may be paid as advance to the employee on production of documentary evidence for necessary verification. However, in cases where there is no certainty of allotment of house / plot, the registration / application money will not be sanctioned. The advance will be governed by overall entitlement of the employee and other rules applicable to HBA
- m) In those cases where advance for registration / application money is allowed as per para 'l' above, entitlement of the advance to the employee may be worked out on the basis of repaying capacity, based upon the basic pay of the employee at the time of sanctioning first installment towards the cost of the house / construction of house when the house is allotted by the construction agency / constructions to be started by the

employee. An employee shall be required to mortgage the property, the procedure for which would be as under :-

- i) The employee who has been granted loan for construction or purchase or Repair/ Renovation of the house under these rules, shall mortgage the house along with the plot of land on which the said house has been constructed, at the earliest, after the completion of the construction / purchase of the house. Such mortgage can be at the option of the borrowing employee, in the form of either simple mortgage as provided under Section 58 (a) of the Transfer of Property Act or mortgage by deposit of Title Deeds as provided in Sub-Clause (f) of Section 58 of the Transfer of Property Act.
- ii) The borrowing employee would submit a Promissory Note for the specific amount to be drawn under the said rules in the performa at Annexure V.

Note:

- i) If an employee opts for simple mortgage, the cost of registration of the Mortgage Deeds shall be borne by the employee concerned
- ii) In case an employee opts to mortgage by deposit of Title Deed, he can do so by simple depositing original title deed/ documents relating to the property with the authorized officers of the company, with an intention to create thereby a security for the loan taken by him. A list of the Title Deeds/ Documents required to be deposited for this type of mortgage is given at Annex. VIII. The list of the "authorized officers" of the company authorized in this regard to receive the original title deeds is at Annexure IX
- iii) The cost of non-judicial stamp papers purchased by the employee for execution of agreement, surety bond, irrevocable power of attorney, promissory note, will be borne by the company. As such employees will be reimbursed the cost of stamp duty incurred by them on these documents.

The cost of stamp duty affixed for the execution of mortgage deed and deed of re-conveyance will continue to be borne by the employee.

- iv) During the pendency of the recovery of the said loan along with the interest, the possession of the title deeds/ documents by the authorized officers of the company shall be deemed as a mortgage by deposit of title deeds as a security against the loan taken by the employee. As an evidence of his intention to create the security in the form of mortgage by deposit of title deeds, the borrowing employee shall file after depositing the title deeds a memorandum in the form given at Annex X and a declaration in the form given at Annex. XI. The title deeds/documents shall be acknowledged by the authorized officers concerned in the form given at Annexure XII.

- n) Employees who take advance for purchase / construction of flat / house from the company shall intimate the date of completion of construction / date of possession of flat, as the case may be to Personnel Deptt. through their H.O.D.
- o) With regard to construction / purchase / Repair / Renovation of a house at the place of work of employee posted at Bhatinda, Panipat, Nangal and Vijaipur, the places within the radius of 15 kms of the relevant town will be deemed to be the "Work Place".
The grant of HBA for such a place will be subject to the following conditions :-
- i) The employee will have to vacate the Company's quarter.
- ii) The employee will not be entitled to House Rent Allowance for hiring accommodation in the town. However, for self occupied house, the house rent allowance will be admissible as per the rules of the company.

1.10 House Building Advance – Grant of Permission for creation of second mortgage

The request of the employees seeking permission for creation of second mortgage for raising additional loan from recognized financial institutions will be regulated as under :

- a) The employees to whom final installment of House building loan has been paid by NFL prior to 01.04.90 (i.e prior to execution of agreement with HDFC for the purpose of raising loan for meeting house building loan requirements of employees w.e.f 01.04.90 onward) may be allowed to raise additional loan by creation of 2nd charge on the property from any recognized financial institutions.
- b) The employees who have either been sanctioned loans after 31st March 90 as per HBA rules of the Company under HDFC/NFL line of credit or have paid any installment of loan sanctioned prior to 31.03.90 may be granted permission for second charge on property to raise additional loan only from HDFC under the normal loan scheme and their request will be considered by HDFC on merit of each individual case. Since, in such cases, first mortgage of property would be with HDFC, the same would continue in addition to the one created for additional loan under the normal loan scheme.

Grant of permission for creation of second charge would be subject to the following conditions :

- i) Additional loan to be raised will be from the recognized financial institutions and the desirous employees will first ascertain from the financial institutions about their willingness to accept the second charge before applying for permission to the Head of the Department, along with a copy of the aforesaid willingness of the financial institutions.

- ii) The total house building loan taken from the company plus the amount of additional loan to be raised shall not exceed the prescribed cost ceiling limits as applicable to a particular case.
- iii) The employee concerned will first obtain prior permission of the Head of the Department for creation of second charge on the property and thereafter shall submit copy of deed for the second charge to the nominated officer of respective units / offices for scrutiny & custody.
- iv) Employees would be required to furnish Mortgage Deed in prescribed form as per extant HBA rules for the amount of loan taken from NFL.

Permission for raising additional loan from the recognized financial institutions by creating second charge on the property acquired by the employees by taking HBA from the company will also be granted for repair/ renovation of the houses. However the, the first charge on such property will be that of NFL.

1.11 Documents required to be submitted :

- a) Documents to be submitted at the time of applying for House Building Advance:

- i) Application form:**

Application for House Building Advance shall be made in the prescribed form (Annexure I), duly completed in all respects, along with specific recommendation of the HOD.

- ii) Specifications and estimate:**

Specifications and estimates in Form 'A' and 'B' of Annexure – II to be appended to the prescribed application form in cases where house is to be built.

- An attested copy of the letter from the allotting authority (from whom the house / flat is to be purchased) allotting or agreeing to allot land or house (or flat as the case may be) and stating therein:-
 - Cost of the house / flat (cost of land and house / flat being shown separately, where house along with land is being sold to the applicant.
 - Conditions of sale.
 - Accommodation available therein.
 - Whether they have permitted the employee to mortgage the land and the house / flat in favour of the company as security for advance, on such terms and conditions as the company may prescribe.
- a) After the advance has been sanctioned to the employee, but before drawing first installment, he shall furnish the following further documents :

- Advance acquired for construction of new house\ Repair/ Renovation of old house
- i) Agreement as per Annexure III
- ii) Surety Bond as in Annexure IV from a regular confirmed employee of the Company, not lower in status than that of the applicant, on the basis of classwise classification i.e. group 'A' , 'B', 'C' and 'D' on stamp paper of appropriate value as applicable.
- iii) An attested copy of the approved building plan with the endorsement of the approving authority on the plan.
- iv) An attested copy of the letter of approval of the plan, where such a letter is issued by local body / Panchayat. Where no such letter of approval is issued, the HOD shall specifically mention on the application that no such letter is issued by the concerned local body / Panchayat.
- v) A certificate from the pleader or the Revenue Officer of the place, where the property is located, certifying after investigation from the records of Sub-Registrar, Revenue Authorities, the Court etc. that the property in the hands of the employee is his absolute and not joint family property and is free from encumbrances, attachments and that the holder has a clear and mortgageable title to the property.
- vi) A declaration of the property owned by the applicant or his wife and / or minor children at the place where he intends to construct the house.
- vii) A copy of the sale deed and the site plan.
- viii) Where the applicant is in occupation of Company's accommodation and / or residing in a house for which tripartite agreement has been signed an undertaking that he shall vacate the said accommodation within the following period :-
 - When advance is to be taken for construction of house on the land already in possession, of the employees :-

Company's house including rented house taken under Tripartite Agreement to be vacated within one month from the date of the completion of the

construction of the house or 18 months from the date of drawal of 1st instalment of the advance, whichever is earlier.

- When advance is to be taken for purchase of land construction of house:

Company's house including rented house taken under Tripartite Agreement to be vacated within one month from the date of completion of construction of the house or 24 months from the date of drawal of 1st instalment of land, whichever is earlier.

ix) Mortgage Deed in the prescribed form as per the aforesaid prescribed procedure.

1.12 Advance against purchase of house / ready built flat.

a) Agreement as per Annexure –III.

b) Surety Bond as per Annexure –IV from a regular confirmed employee of the company, not lower in status than that of the applicant, on the basis of classwise classification i.e. Group A, Group B, Group C and Group D on stamp paper of Rs. 10/-.

c) A declaration of the property owned by the applicant or his wife and / or minor children at the place where he intends to purchase the house / flat.

d) Undertaking to vacate the company's accommodation including rented house taken under Tripartite Agreement within one month from the date of drawal of advance.

e) An attested copy of the draft lease / sale deed for land and / or house / flat, as the case may be.

f) An undertaking in the performa at Annexure VI to execute the documents creating legal mortgage or any other type in respect of the property or execute the mortgage deed in the prescribed form and as per the aforesaid prescribed procedure.

1.13 Where a ready built house /flat is purchased from registered cooperative society, the following documents in addition to those prescribed under 1.11 and 1.12 above, as applicable, would be submitted.

a) A letter from the Registrar of the cooperative societies of the concerned state, indicating that the Society is registered with them.

b) i) An attested copy of the Society's Title Deed in respect of the land on which the house / flat has been built, along with an affidavit from the society to the effect that the land is free from encumbrances.

ii) Certificate from the Society Lawyer that the property is free from encumbrances.

iii) An attested copy of the bye-laws of the Society.

iv) An undertaking in the performa at Annexure VI or execute mortgage deed in the prescribed performa and as per the aforesaid prescribed procedure.

Note: The sanctioning authority may, if it is satisfied allow the drawal of 1st installment of the advance, without submission of any of the documents listed in 1.10, 1.11, 1.12 above, for reasons to be recorded. In such cases, sanctioning authority shall, however, record the time limit within which the same shall be submitted by the employee.

1.14 The application in the prescribed form, agreement, surety bond etc. should be kept in safe custody. The re-conveyance deed should be executed in the prescribed form (Annexure XIII) and all expenses in connection with the execution, registration of the conveyance deed and re-conveyance deed shall be borne by the employee. After the re-conveyance deed is executed and registered the mortgage deed, the sale deed and such of the documents deposited by the employee shall be returned to him and a receipt thereof shall be taken and kept on record along with the copy of the re-conveyance deed.

1.15 The insurance policy for insurance cover against fire, flood and lightening, required to be taken shall also be kept in safe custody, as long as the recovery of

the installments of the HBA and interest thereon is not fully made, it shall also be ensured that the insurance policy is kept renewed till that time.

- 1.16 The employees desirous of availing the HBA shall submit their application in the prescribed form along with the other required documents. These applications, duly completed in all respects and accompanied by the required documents shall be scrutinized and submitted to the authority competent to grant HBA.

Annexure –A

Method for working out repaying capacity of HBA

The advance repaying capacity should be worked out in a manner so as to ensure that the principal together with interest thereon is fully recovered before the employee retires.

The repaying capacity will be upto 50% of the pay at the time of initial application. (Subsequent increase in the pay is not to be taken into account.) and keeping in view other loans like Conveyance Advance, Education Loan and any other loan/advance already drawn by the employee.

Note:

For recovery of principal, 2/3rd period of remaining service would be taken into consideration and balance 1/3rd period would be considered for recovery of interest. Accordingly while working out the repaying capacity, percentage of pay as stated above for 2/3rd period of the remaining service may be taken into account. For example in the case of an employee retiring after 20 years, his repaying capacity will be equivalent to 50% of his pay for 160 months.

NATIONAL FERTILIZERS LIMITED

Application form prescribed under the Rules Regulating the Grant of Advance to NFL employees for building of house.

Grant of Advance for purchase of land or part / full construction / Repair/ Renovation etc. of a House.

APPLICATION FORM

(To be filled by the Applicant)

General

1. Name (in block letters) _____ Deptt. _____
Employee No. _____
2. Date of Birth :
3. Post held – Regular _____
i) Date of joining in the organization: _____
ii) Length of service on the date of application: _____
4. a) Present Pay & DA _____
5. Present scale of pay (these should relate to the post substantively held by employee) _____
6. Date of Retirement : _____
7. Amount of Provident Fund / Any other advance / final withdrawal taken for the purchase of land / construction : _____

PARTICULARS RELATING TO ADVANCE

8. If advance is required for purchasing a ready built house / flat please state:-

Location with address	Plinth area	When constructed	Price settled	The Agency from whom to be purchased	Amount a) already paid b) to be paid	Amount of Advance reqd.	No. of instalments for repayment.
				a) b)			

9. If advance is needed for purchase of a plot and / or for construction of new house, please give the following information:

A. PLOT

Location with address	Rural / Urban	Is it clearly demarcated and developed	Approved area in sqm.	a) Cost b) Amount actually paid	If purchased when proposed to be acquired	Unexpired portion of lease if not free hold
(1)	(2)	(3)	(4)	(5)	(6)	(7)

B. CONSTRUCTION

Floorwise area to be constructed	Estimated Cost	Amount of Advance required (for land / construction / both)	No. of instalments for repayment,`
(8)	(9)	(10)	(11)

9. If advance is required for enlarging the existing house, please state:

Location with address	Plinth area (in sq.mtrs)	Plinth area approved for Repair/ Renovation in sq. mtrs.	Cost of construction / acquisition of existing house
(1)	(2)	(3)	(4)

Cost of Proposed Repair/ Renovation	Total Plinth area (2+3)	Total cost (4+5)	Amount of advance required	No. of instalments for repayment
(5)	(6)	(7)	(8)	(9)

Note: If the Repair/ Renovation is proposed on any floor other than ground floor a certificate from an approved engineer to the effect that foundations of the existing structure can safely take the load of the proposed Repair/ Renovation should be enclosed.

9. Miscellaneous :

If you or any dependent member of your family already owns a house, please state:

Location with Address	Plinth Area floor wise	Present fair market value	Reason for acquiring another house or enlarging the existing house
(1)	(2)	(3)	(4)

Have you enclosed (a) relevant construction plan approved by the Municipal Authority concerned and (b) detailed construction estimates based on Central / State PWD Schedule, prevailing in the area corrected as per relevant cost of index duly signed by a qualified engineer.

DECLARATION

1. I solemnly declare that the information furnished by me in reply to the various items indicated above is true to the best of my knowledge and belief.
2. I have read the rules regulating the grant of HBA advance to NFL employees for purchase of land and purchase / construction of building etc. and agree to abide by the terms and conditions stipulated therein.
3. I certify that (*)
 - i. My wife / husband is not employed in National Fertilizers Ltd. My wife/husband who is NFL employee has not applied for and / or obtained an advance under these rules.
 - ii. Neither I nor my wife/ husband / minor child has applied for and / or obtained any loan or advance for acquisition of a house in the past from NFL.
 - iii. The construction of the house for which the advance has been applied for has not been commenced.

(*) Strike out the alternatives not applicable.

Station: Signature of the Applicant

Date: Designation:

Deptt. in which employed:

Recommendation of the Head of the Department

Signature of the Head of the Deptt.

SPECIFICATION AND ESTIMATES

FORM NO.A TYPICAL BUILDING ESTIMATES

Sl.no.	Sub-Head	Amount
1.	Earth Work	
2.	Cement Concrete	
3.	R.C.C. work	
4.	Brick Work	
5.	Wood Work	
6.	Steel Work	
7.	Flooring	
8.	Roofing Finish	
9.	Finishing	
10.	Miscellaneous	
11.	Add% for sanitary installation water supply and drainage.	
12.	Add3% for electric installations, add3% contingencies.	

S.No.	Items	Quantity	Reate in Figures	Rate in words	Unit Amount (Rs. P.)
1.0	Earth Work				
1.1	Earth work in excavation in foundation transfer or trenches or drains (not exceeding 1.5m in width or 10 apx. On Plan including dressing of sites and running of bottoms, lift up to 1.5 m/c getting out the excavated soil and disposal of surplus excavated soil as directed, within a lead of 50m (a) ordinary soil.				
1.2	Filling available excavated earth (excluding rock) in trenches, plinth, sides of foundations, etc. in layers not exceeding 20 cms in depth consolidating each deposited layer by ramming, manning and watering lead up to 50mm & lit up to 1.5m.				
1.3	Filling in Plinth with sand under floor including watering, running, ramming, consolidating and dressing complete.				

Annexure –II

FORM – B

Details of Measurement**Name of Work :****Quantities have been worked out for the approved plan.**

Details of Work		NO.	Measurement			Quantities
			L	B	H	
1.	Earth work in excavation in foundation trenches in ordinary soil.					
2.	Filling available excavated earth in plinth sides of foundation etc.					
3.	Providing and laying cement concrete 1:5:10 in foundation etc.					
4.	Providing and laying 38mm thick long wall.					
5.	Applying a coat of residual petroleum bitumen 80/100.					
6.	2 nd class brick work in cement mortar 1:6 in foundation & plinth.					
7.	2 nd Class brick work in super structure in CM 1:6 upto floor 2 level.					
8.	R.C.C. 1:2:4 in suspend floor roof bandings balconies upto floor 2 level.					
9.	R.C.C.1:2:4 in chajjas up to floor 2 level.					
10	R.C.C. 1:2:4 upto floor 2 level in linels, beams etc.					
11	Centering, shuttering suspended floors landings, balconies etc.					
12	Mild steel reinforcement for RCC work.					
13	Cement Concrete flooring 1:2:4 40mm thick.					
14	Providing wood work in frames of doors etc.					
15	Providing and fixing 38mm thick panelled glazed shutters for doors, windows.					
16	10 cm (thick) mud phaska of clamped brick arch & covered with flat tile bricks.					
17	12mm cement plaster 1:6 or any other mix.					
18	White washing with lime on new work					
19	Applying primer coat with ready mixed primer of approved brand.					
20	Painting two or more coats.					
21	Providing and fixing steel compound gate.					

Annexure – III

Form of Agreement to be executed at the time of drawing an advance by an employee for purchase of plot and land and building a house, Repair/ Renovation of existing house and purchase of a ready built house.

An Agreement made this _____ day of _____ two thousand and _____ 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 National Fertilizers Limited (hereinafter called the company which expression shall unless excluded by or repugnant to the context include his successors in office and assigns) of the other part.

WHEREAS 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 the schedule hereto annexed and WHEREAS the Borrower has under the provision of the Rules framed by the Company to regulate the grant of advances to its employees for building etc. of houses (hereinafter referred to as the " said rules" which expression shall, where the context so admits, include any amendment thereof or addition for the time being in force) applied to the company for an advance of Rs. _____ 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 company has sanctioned an advance of Rs. _____ dated _____ a copy of for which is annexed to these presents for the purpose aforesaid on the terms and conditions set forth hereto as follows :-

- 1) The consideration of the sum of Rupees _____ (insert amount of the first instalment) to be paid by the company after execution of this agreement for the purchase of land and the sum of Rs. _____ (insert balance amount to be paid) to be paid by the company to the Borrower as provided in the said rules, the Borrower hereby agrees with the company.
 - a) to repay the company the said amount of Rs. _____ (insert full amount sanctioned) with interest calculated in accordance with the said rules for the time being in force in _____ (number to be filled in) monthly instalments of Rs. _____ from his pay commencing from the month of _____ two thousand and _____ or from the month following the completion of the house, whichever is earlier and the Borrower hereby authorizes the company to make such deductions from his monthly pay, leave salary and subsistence allowance bills.
 - b) (i) Within two months from the date of receipt of the amount of Rs. _____ (insert amount of installment to be paid) out of the said sanctioned advance or within such further time as company may allow in this behalf, to expend the aforesaid amount in the purchase of land and to produce for inspection of the company the sale deed in respect thereof failing which the Borrower shall refund to the company the entire amount of the advance received by him together with interest thereon.

- (ii) Within three months from the date of 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 company failing which the borrower shall refund forthwith to the company the entire amount of advance received by him together with interest thereon unless an extension of time is granted by the company.
- (iii) To complete construction / Repair/ Renovation of the said house within eighteen months from the date the first instalments of advance has been disbursed or within 24 months from such date where purchase of land was also involved of _____ strictly in accordance with the plan and specifications to be approved by the company 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 allowed by the company.
- 2) If the actual amount 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 company forthwith.
- 3) To execute a document mortgaging the said house / land along with the house to be built thereon to the company 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 company within two months of the date of drawal of the part of the advance for that purpose, or within such further time as the company may allow in this behalf / * if the house is not purchased and mortgaged within three months to the drawal of the advance or within further time as the company may allow in this behalf / * if the borrower becomes insolvent or quit the service of the company or dies, the entire amount advanced together with interest accruing thereon shall immediately become due and payable to the company.
- 5) Without prejudice to any other right of the company in that behalf, if any amount becomes refundable or payable by the borrower to the company, the company shall be entitled to recover the same as arrears of land revenue.
- 6) The stamp duty payable on these presents shall be borne and paid by the employees.

SCHEDULE ABOVE REFERED TO****

IN WITNESS WHEREOF THE BORROWER HAS hereunto set his hand and Shri _____ in the Company /Office of _____ for and on behalf of the National Fertilizers Limited has hereunto set his hand.

Signed by the said Borrower

(Signature of the Borrower)

In the presence of:

1st witness

Address:

Occupation:

2nd witness

Address:

Occupation:

Signed by Shri

(For and on behalf of the
National Fertilizers Ltd.)

In the Company /Office of _____

In the presence of:

1st witness

Address:

Occupation:

2nd witness

Address:

Occupation:

*Strike off whichever is not applicable.

*** To be filled in by the Borrower.

Annexure IV

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS THAT I _____ son of _____ a resident of _____ in the district of _____ at present employed as a permanent _____ in the (hereinafter called the surety) am held and finally bound unto the National Fertilizers Ltd. (hereinafter called the company which expression shall unless excluded by or repugnant to the subject or context include his successors in office and assigns) in the sum of Rs. _____ (Rupees _____ only) to be paid to the company for which payment to be well and truly made I hereby bind myself, my heirs, executors, administrators, and representatives family by these presents. As witness my hand this _____ day of _____ two thousand and _____.

WHEREAS _____ son of _____ a resident of _____ in the district of _____ at present employed as-----,in the (hereinafter called the Borrower) but is due to retire on _____ applied to the company for an advance of Rs. _____ for the purpose of ** purchasing land and / or constructing a new house or enlarging living accommodation and /or constructing a new house or enlarging living accommodation / in an existing house / purchasing ready built house / construction a new house or enlarging living accommodation in an existing house / purchasing a ready built house.

AND WHEREAS the company sanctioned the payment of Rs. _____ (Rupees _____ only) under the Rules framed by the company to regulate the grant of Advance to its employees for building etc. of house.

AND WHEREAS the Borrower has undertaken to repay the said amount in _____ monthly instalments. AND WHEREAS the Borrower has further undertaken to mortgage the house built / purchased with the help of the said amount and to observe the provisions of the said rules. AND WHEREAS in consideration of the company having agreed to grant the aforesaid advance to the Borrower the Surety has agreed to execute the above bond with such conditions as here under written.

NOW THE CONDITION OF THE OBLIGATION is such that if the said Borrower shall / while employed in the said or any other Company / Office _____ duly and regularly pay or cause to be paid to the company the amount of the aforesaid advance owing to the company by installments until the said sum of Rs. _____ (Rupees _____ only) together with the interest as shall then remain unpaid shall immediately become due and payable to the company and recoverable from the surety in one instalments by virtue of this Bond.

The obligation undertaken by the Surety shall not be discharged or in any way affected by an extension of time or any other indulgence granted by the Company to the said Borrower.

The stamp duty payable in respect of these presents shall be borne and paid by the Employee.

Signed and delivered by the said _____

(Signature of Surety)
Designation:
Office to which
Attached

In the presence of

1st Witnesses

Address:

Occupation:

Signed by /Shri _____ in the company.

in the presence of

For and behalf of the
National Fertilizers Limited

1st Witness

Address:

Occupation:

* Strike out if not required.

** Strike off whatever is not applicable.

Annexure –V

PROMISSORY NOTE

On demand, I / We _____ promise to pay to the National Fertilizers Limited, A-11, Sector-24, Noida – 201301 on order the sum of Rs. _____ (Rupees _____ only) with interest @ 11% per annum (or the rate as may be revised by the Central Govt. from time to time) for value received.

**(Requisite Revenue Stamps
to be crossed by signatures)**

Address of the Executants.

LETTER OF UNDERTAKING

Dear Sir,

SUB: GRANT OF HOUSING LOAN

In consideration of the money advanced to me through loan from NFL on my application dated _____ in order to enable me to apply for purchase of a flat under _____ scheme and in consideration of further advance to be granted to me from you for the said purpose, I undertake as follows:

1. I undertake that I shall as and when required by you, execute the documents creating legal mortgage or any other type in respect of my said property, or such other documents as may be desired by you for fully securing for you and due repayment of all amounts advanced with interest and other charges payable by me to you.
2. I undertake that I shall not transfer any of my title, interest and / or rights vested in the said property.
3. I am aware of all the terms and conditions of the loan offered by NFL particularly the following condition :
" the loan shall be secured by first mortgage of the dwelling being purchased or constructed with the help of this loan".
4. No legal suit, proceedings or investigations are pending against my above property before any court of law or Govt. authority or any other Govt. authority which might have a material effect on my ownership of above property.
5. The said property is free from all encumbrances, attachments and I hold a clear and marketable title, for which non-encumbrances certificate from Revenue Officer has already been submitted with Pers. Deptt.
6. All the undisputed demands such as income tax and other taxes and revenues payable to Central/ State Govt. or to any other local authority have been paid. It is also added that at present there are no arrears of such taxes and revenue due and outstanding.

Thanking you,

Yours faithfully,

()
Name of the Employee
Employee Ticket NO.

THROUGH HEAD OF DEPTT.

LETTER OF UNDERTAKING

Dear Sir,

SUB: GRANT OF HOUSING LOAN

In consideration of the money advanced to me through loan from HDFC on my application dated _____ in order to enable me to apply for purchase of a flat under _____ scheme and in consideration of further advance to be granted to me from you for the said purpose, I undertake as follows:

1. I undertake that I shall as and when required by you, execute the documents creating legal mortgage or another type in respect of my said property, or such other documents as may be desired by you for fully securing for you and due repayment of all amounts advanced with interest and other charges payable by me to you.
2. I undertake that I shall not transfer any of my title, interest and / or rights vested in the said property, which is to be the joint ownership with the company, NFL, and me for which, I have been granted HBA of Rs. _____ in any manner whatsoever without the prior knowledge and specific permission of NFL and letter to this effect from the concerned Cooperative Society is produced herewith for your record.
3. I am aware of all the terms and conditions of the loan offered by HDFC, particularly the following condition :
" the loan shall be secured by first mortgage of the dwelling being purchased or constructed with the help of this loan".
4. No legal suit, proceedings or investigations are pending against my above property before any court of law or Govt. authority or any other Govt. authority which might have a material effect on my ownership of above property.
5. The said property is free from all encumbrances, attachments and I hold a clear and marketable title, for which non-encumbrances certificate from Revenue Officer has already been submitted with Accounts Deptt.
6. All the undisputed demands such as income tax and other taxes and revenues payable to Central/ State Govt. or to any other local authority, have been paid. It is also added that at present there are no arrears of such taxes and revenue due and outstanding.

Thanking you,

Yours faithfully,

**LIST OF DOCUMENTS REQUIRED TO BE DEPOSITED IN ORDER TO CREATE
MORTGAGE BY DEPOSIT OF TITLE DEED**

- A) In case where the property is purchased from or acquired through a cooperative society.
- 1) Purchase Agreement with vendor. In case no agreement has been executed, the original letter of allotment of plot / flat.
 - 2) Share certificate issued by the society or a certificate from the Society to the effect that share certificates in the name of loanee employee are held by the society.
 - 3) Sale Deed or Lease Deed under which the Borrower has acquired the plot / flat from the society.
 - 4) An irrevocable Power of Attorney executed by the borrower in favour of NFL in the form appended along with this annexure.
- B) When the borrower purchases a ready built house\ flat from a Govt. body or Housing Board.
- 1) Original sale / Lease Deed under which the applicant acquired the property.
 - 2) An irrevocable Power of Attorney as under A(4) above.
- C) When the borrower constructs a house on a plot of land already acquired out of his own sources.
- a) Agreement of sale with the prospective seller, in original on non-judicial stamp paper of appropriate value, which in addition to other terms and conditions, should clearly indicate that the applicant has an indisputable title to the property.
 - b) Valuation Report in respect of the house from an approved building valuer or qualified architect together with plan approved by the competent authority.
 - c) An irrevocable power of attorney as under A(4) above.

- d) Registered document in original or certified copy from the office of Sub-Registrar or conveyance Deed or Sale Deed or Lease Deed by virtue of which the prospective seller became the owner of the land / house.
 - e) If the property is on leasehold land, permission of the lessor for mortgaging the land / house in favour of NFL.
 - f) If the land / house was allotted to the seller by a Govt. body or Housing Board etc. a copy of the letter of allotment of the land / house received by the prospective seller allotting him the land / house acquired by the applicant (Borrower).
 - g) Copy of the sale permission obtained by the prospective seller under the Urban Land (Ceiling & Regulation) Act, 1976, should the said Act be not applicable to the place of location of the property in which case a certificate from the Sub-Registrar or local lawyer that the aforesaid Act is not applicable to the place of the location of the property.
 - h) Copy of the permission under the Urban Land Ceiling & Regulation Act, 1976 to mortgage the property in favour of NFL should the Act be applicable to the place of location of the property.
 - i) Original sale Deed of the property after completion of building.
- D) When the Borrower buys a plot of land from a Govt. body or Housing Board and constructs a house thereon.
- a) Original Sale / Lease Deed under which the applicant acquired the property.
 - b) Valuation report of the property as per C (b) after the completion of building.
 - c) An irrevocable power of Attorney as under A(4) above.
- E) When the borrower takes loan for Repair/ Renovation of existing house
- a) Tax receipt for preceding 3/5 years.
 - b) Non- encumbrances certificate from sub-registrar or a local revenue authority certifying after investigation that the property in the hands of the employee is his absolute and not joint family property and is free from encumbrances, attachment and that the holder has acquired clear marketable title to the property.
 - c) An irrevocable power of Attorney as under A(4) above.

Appendix to Annexure –VIII

IRREVOCABLE POWER OF ATTORNEY

BE IT KNOWN TO ALL BY THIS POWER OF ATTORNEY , that I _____ aged _____ years, Son / daughter / wife of _____ residing at _____ do hereby nominate, constitute and appoint the _____ and the _____ to NFL having its registered office at Scope Complex, Core III 7 Institutional Area, Lodhi Road, New Delhi –110003 to do all or any of the following acts, deed or things jointly or severally as my attorney or attorney.

1. To make and execute a mortgage of the premises described in schedule to these presents in favour of NFL, on such terms and conditions and incorporating therein such power and provisions as the said attorney(s) may deem fit and reasonable.
2. To do all such, acts, deeds and things whatsoever which may be deemed necessary or expedient by my attorneys for completing & registering the mortgage on the said premises.
3. To insure the premises described in the scheduled in my name and on my behalf against damage by flood, fire, riot, lighting and earthquake and to assign the insured policy in favour of NFL till such time as the amount advanced with interest by NFL is repaid in full.
4. This power of attorney will not be revoked by me as long as the loan advance agreement dated _____ into between me and NFL is in force and as long as the moneys advanced by the NFL alongwith interest remain outstanding.
5. AND I HEREBY ratify and agree to ratify and confirm all and whatsoever acts, deeds, and things, the said attorney or attorneys shall lawfully do or cause to be done pursuant to the powers hereby granted.
6. In WITNESS WHERE OF this power of attorney has been executed at _____ of this _____ day of _____ 200 by me.

WITNESS:

1. SIGNATURE _____
2. NAME _____

LIST OF AUTHORISED OFFICERS

Unit / Offices	Where documents are to be deposited	Designation of the authorised officer for the purpose of creation of mortgage by deposit of deeds.
Head Office	Delhi	Chief Manager (Pers).
Marketing Division / Area Offices	Delhi	An officer nominated by CGM (Mktg)/ED
Bhatinda	Bhatinda	An officer nominated by CGM/ED
Panipat	Panipat	An officer nominated by CGM/ED
Vijaipur	Vijaipur	An officer nominated by CGM/ED
Nangal	Nangal	An officer nominated by CGM/ED

Note:

1. Deposit of the title deeds etc. shall be caused to be made by the concerned employee with the respective authorized officers at the places indicated in the 2nd column above either in person or through his representative visiting the above places personally.
2. The authorized officer shall ensure genuineness or authenticity of the documents taken for deposit, and also adequacy of the value of the property mortgaged vis – a- vis the quantum of the loan for which the mortgage is being executed as a security.

Annexure –X

(Draft of the letter to be given by the Borrowing employee after the mortgage is created).

From:

To:

(Designation of the Authorised Officer)
National Fertilizers Limited.

Sir,

Ref: Housing Loan for Rs. _____
Covered under Agreement dated _____
and
Mortgage by deposit of title deeds to my property situated at _____
_____ (give full details of the property
along with boundaries).

This is to record and confirm that with intent to secure the Housing Loan of Rs. _____ arranged through loan from _____ together with interest and other moneys payable by me to the NFL in terms of the Agreement dated _____ I have delivered and deposited at _____ with Shri _____ being the duly authorized officer of NFL on this day of _____ the following title deeds and the documents of my immoveable property situated at _____ (give full details of the property with boundaries) whose description is given below (give details of title deeds).

I further undertake / declare that

1. I shall as and when required by you, execute the documents creating and legal mortgage or any other type in respect of my said property including the building thereon when constructed and / or such other document / documents as may be desired by you for fully securing to you the due repayment of all amounts advanced with interest and other charges payable by me to you.
2. I undertake that I shall not transfer any of my title, interest and / or rights vested in the said property.

3. I am aware of all the terms and conditions of the loan offered by NFL particularly the following condition:

" the loan shall be secured by first mortgage of the dwelling being purchased or constructed with the help of this loan"
4. No legal suit, proceedings or investigations are pending against my above property before any court of law or Govt. Authority or any other Govt., authority which might have a material effect on my ownership of above property.
5. The said property is free from all encumbrances, attachments and I hold a clear and marketable title, for which non-encumbrances certificate from Revenue Officer has already been submitted with Accounts Deptt.
6. All the undisputed demands such as income tax and other taxes and revenues payable to Central/ State Govt. or to any other local authority have been paid. It is also added that at present there are no arrears of such taxes and revenue due and outstanding.

Thanking you,

Yours faithfully,

(BORROWER EMPLOYEE)

Dated _____

DECLARATION

BEFORE THE NATIONAL FERTILIZERS LIMITED

Ref: In the matter of Housing Loan of Rs. _____ lent and advanced and / or to be lent and advanced by the NFL in the matter of Declaration of Mortgage by deposit of the Title Deeds of the immovable properties situated _____ (give full details of the property with its boundaries) created on the _____ day of _____.

1. I, _____ son of _____ aged _____ at present residing at _____ do solemnly affirm and state and declare as follows:

2. I am an employee of the National Fertilizers Limited (hereinafter called NFL) and am working at present as _____ in the Office / Region _____

3. With a view to secure the housing loan of Rs. _____ *(give amount of present loan) interest and other moneys lent and advanced by NFL to me, I have created as and by way of security of mortgage by deposit of Title Deeds, a mortgage in favour of NFL on the _____ day of _____.

4. I confirm and declare that save and except the aforesaid mortgage in favour of NFL my property described above is free from all other encumbrances, claims and demands and I am the full and absolute owner thereof and no other person has any right, title, interest, claim or demands whatsoever thereof.

5. I further confirm and declare that my said property is not affected by any litigation, attachment, process of the court, les pendes, or otherwise howsoever and there was no impediment in my creating the mortgage in favour of NFL as stated above.

Solemnly declare to be true by the within named

Shri _____ on this _____ day of _____ 200 at _____

Witness

Signature with Designation

1. _____ (Declarant)

2. _____

For Guidance only.

1. This declaration should be shown before the Notary Public of the District.
2. The words given in the brackets are for guidance only. Delete the same at the time of final typing on the non-judicial stamp paper. (U.P State Stamp requirement Rs.10/- only irrespective of the loan amount).

Annexure-XII

From:

(Designation of the authorised officer
National Fertilizer Limited

To

Shri _____ (name of the employee)

Designation _____

Department / Location _____

Sub: Mortgage of housing property purchased from Loan Assistance of the NFL by
Shri _____

Sir,

We confirm having received the title deeds detailed below on _____ day of
_____ 200

S.No.	Details of title deed
-------	-----------------------

In view of the deposit and delivery of the above title deeds with the intent to create security in favour of the NFL by creation of Mortgage the undersigned has duly recorded the fact about receipt of the above title deed (s) for the purpose aforesaid.

Yours faithfully,

Dated:

SCHEDULE

DESCRIPTION OF PREMISES

(This will give details of property, its location, boundaries, measurements etc.)

Signature _____

Name: _____

Witnesses:

1.

2.

FORM OF RECONVEYANCE DEED FOR HOUSE BUILDING ADVANCE

THE DEED OF RECONVEYANCE IS MADE THIS _____ day of _____ TWO THOUSAND AND _____ between National Fertilizers Limited (hereinafter called the mortgagee which expression shall unless excluded by or repugnant to the subject or context include his successors in Office and assigns) of the one part, and _____ of (hereinafter called the mortgagor which expression shall unless excluded by or repugnant to the subject or context include his/her heirs, executor, administrative and assigns) of the other part.

WHEREAS by an indenture of mortgage, dated the _____ day _____ of _____ two thousand and _____ and made between the Mortgagor of the one part and the Mortgagee of the other part and registered at _____ in block _____ volume _____ pages _____ to _____ as No. _____ for _____ (hereinafter called the principal indenture). The Mortgagor by the said principal Indenture mortgaged the property at _____ and more particularly described in the Schedule hereunder written to the Mortgagee to secure an advance of Rs. _____ made by the Mortgagee to the Mortgagor.

AND WHEREAS ALL MONEY due and owing to the security of the PRINCIPAL INDENTURE have been fully paid and satisfied and the Mortgagee has accordingly at the request of the Mortgagor agreed to execute re-conveyance of the Mortgaged premises as in hereinafter contained. NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and consideration of the premises the Mortgage doth hereby grant, assign and recovery unto the Mortgagor, ALL THAT THE piece of land situated at _____ and comprise in the said principal indenture and more particularly described in the Schedule hereunder written with their rights, easements and appurtenances as in the PRINCIPAL INDENTURE expressed and all the estates right title interest property claim and demand whatsoever of the Mortgagee into out of or upon the said premises by virtue of the PRINCIPAL INDENTURE to have and to hold the premises here before expressed to be hereby granted, assigned and recovered unto and

to the use of the Mortgagor, for ever freed and discharged from all moneys intended to be secured by the SAID PRINCIPAL INDENTURE and from all actions, suits, accounts claims and demands for, on in respect of the said moneys or any part there of, for or in preset of, the PRINCIPAL INDENTURE or of anything relating to the premises and the Mortgagee hereby covenants with the Mortgagor that the Mortgagee has not done or knowingly suffered or been partly or privy to anything whereby the said premises or any part thereof, are / is or can be impeached, encumbered or affected in title estate or otherwise howsoever, IN WITNESS whereof the Mortgagee has caused _____ on his behalf to set his hand the day and year first above written .

SCHEDULE ABOVE REFERRED TO

Signed by _____ for & on behalf of the Mortgagee

(SIGNATURE)
For and on behalf of the National Fertilizers Limited

In the Presence of :

1st Witness
Address
Occupation

2nd Witness
Address:
Occupation:

Note: Before paying stamp duty on this document the applicant are advised to contact the respective State Government / Administrations for ascertaining whether exemption from payment of stamp duty is available.

**No. 2 (37) / 85 – BPE (WC)
Government of India
Ministry of Industry
Bureau of Public Enterprises
CGO Complex , Block No. 14,
Lodi Road, New Delhi –110 013**

Dated: the 12th Nov., 1986

OFFICE MEMORANDUM

Subject: Grant of House Building Advance to employee of Public Enterprises – Subsidy on interest amount.

1. Many Public enterprises, assist their employees in the construction of houses by providing them loans as a welfare measure, however, in recent years specialized agencies which grant house building advances have come up. Housing Dev. Finance Corporation and Life Insurance Corporation of India have schemes for grants of loan for house building purposes, although the rate of interest charged by them might be slightly higher compared to the rates of interest charged by Govt. from their own employees. Since public enterprises have to ensure optimum utilization of their funds either generated internally or secured from the Govt., large sums of money should not be blocked by the PEs in financing such schemes but on the other hand the PEs should encourage their employees to secure loans / advanced from outside specialized agencies and if considered necessary they could subsidize a portion of the interest paid by them on such loans./
2. The question as to whether / the PEs should continue to operate their existing house building advance scheme or go in for a scheme of interest subsidy as well as the policy to be followed by the PE which do not have such schemes has been examined in the Government. Having regard to all the relevant factors and advantages that interest subsidy offers, it has been decided that it would be appropriate for the PEs which have not yet introduced house building advance schemes of their own to adopt a scheme of interest subsidy on house building advances secured by their employees from specialized agencies like LIC, HDFC, provided the amount of interest subsidy is restricted to the difference between the rate of interest charged by these specialized agencies on house building advance and the rate of interest charged by the Central Govt. under their house building advance rules. It has also been decided that PEs who otherwise have their own house building advance schemes should also move in the direction of adopting the scheme rather than having their own house building Advance scheme.
3. Ministry of Steel & Mines and Ministry of Petroleum & natural Gas etc. the public sector enterprises under their administrative control on the above lines.

**Sd/-
(Krishna Chandra)
Joint Director, Bureau of Public Enterprises
Tel. No. 625841**

Brief features of – House Building Advance Schemes introduced by the various financial institutions:

1) Scheme for grant of housing loan of LIC.

LIC has two schemes – one known as Property Mortgage scheme and the second known as Own your Home Scheme. While under the first scheme the applicant need not be a policy holder, under the second scheme the pre-condition is of holding a policy on the life of the applicant. Under both the schemes the loan is available upto a maximum of Rs. 3.0 lakhs in metropolitan cities and Rs. 2.50 lakhs in other cities. Loan is available upto the extent of 50 – 70% of the cost depending upon various slabs. The rate of interest is 15% per annum corresponding to the maximum slab of the loan available. Term of the loan is 15 /25 years, date of superannuation of employees, whichever is earlier. For acquisition of flats, a new scheme has been brought out by LIC. Loan is also available to the extent of 60% of the value of flat (for loan exceeding Rs. 2 lakhs) subject to the condition that the owner is a policy holder, but this scheme is available only at Bombay, Calcutta, Delhi and Madras.

2) Housing Loan Scheme of Bankers

As per the scheme of Bank of India, the pre-requisite is opening of Recurring Deposit Amount with the Bank for a minimum of 18 months and maximum period 60 months, with initial deposit of Rs, 1,000/- and subsequent in multiples of Rs. 100/-. Under this scheme loan is given equivalent to four times the value of R.D. on maturity. Repayment is required in 10 years and the rate of interest is 15% per annum.

Thus it would be seen that in this scheme loan is permissible only on the maturity of Recurring Deposit by individual. Likewise similar types of scheme have been introduced by other nationalized banks.

3) Housing Loan Scheme of Housing Development Finance Corporation Ltd. (HDFC) - Financial Assistance Scheme to Individuals.

Under this scheme financial assistance is available for acquiring / constructing the dwelling unit. The loan is determined with regard to the repaying capacity of the borrower and is granted upto 70% of the cost of the property including the cost of land. The rate of interest is 14.5% (0.5% extra interest is charged in certain cases). The repayment of loan is through equated monthly installments in a period of 5-15 years up to the age of retirement of the employee. HDFC also charges processing fee at Rs. 8/- per Rupees thousand of the loan applied for and also administration charges at 1% of the sanctioned amount subject to minimum of Rs. 300/-. Repayment starts after the final installment of loan is paid but monthly interest is to be paid immediately after release of the first installment.

