

GENERAL PURPOSE ADVANCE RULES,2013

The need for introducing the General Purpose Advance Scheme for the employees of the Corporation was being felt considering welfare of the employees to mitigate their financial requirements and keeping in view the fact that our sister corporations, viz., National Scheduled Castes Finance and Development Corporation (NSFDC) & National Handicapped Finance and Development Corporation (NHFDC) have already introduced and implemented such scheme for their employees.

Presently, the Corporation is having following employees' welfare scheme in operation:-

- (i) House Building Advance (maximum limit of advance – Rs.7.50 lakh, interest rate varies from 6.5% p.a. to 11% p.a. depending upon quantum of advance).
- (ii) Conveyance Advance:
 - (a) For car – (maximum limit of advance – Rs. 1.80 lakh, interest @ 10% p.a.)
 - (b) For two wheelers (maximum limit of advance – Rs. 30,000/-, interest @ 8% p.a.).
- (iii) Computer Advance – (maximum limit of advance – Rs. 50,000/-, interest @ 6% p.a.).
- (iv) Festival Advance: (maximum limit of advance is Rs. 3,000/- which is interest free, recoverable in 10 equal monthly instalments).

The objective of this General Purpose Advance to the employees of the Corporation in the form of interest bearing loan is to financially assist them for various purposes like renovation of self-owned house, purchase of household goods & equipment, furniture &, electronic items, personal computer/laptop and to meet educational expenses in respect of self or their wards.

The scheme has been prepared on similar pattern as being implemented by our sister Corporations with some modifications. The salient features of the scheme are as follows:

- (i) Purposes for availing the advance have been specified;
- (ii) Interest rate is proposed to be kept @ 10% p.a. as compared to 9% p.a. (0.5% above the interest rate applicable for EPF deposits) being charged by our sister Corporations;
- (iii) Bills and receipts towards utilization of advance are required to be submitted by the employee within the stipulated time;
- (iv) The repayment period covering the entire advance amount together with interest has been kept as five years (60 monthly instalments) or before the date of retirement/resignation from the services, whichever is earlier;
- (v) Surety is required to be provided by the employee apart from entering into a loan agreement with the Corporation and also to furnish an undertaking to the effect that any unpaid portion of the advance or the interest or both can be adjusted against the gratuity or any other service dues payable to the employee;
- (vi) The advance shall not be granted for more than two occasions in the entire service of an employee.

Further, it may be mentioned here that this scheme has been discussed with the employees in a meeting held on 26.06.2013. The suggestions made by the employees are given as under:

- (i) The purpose of drawing advance should include marriage of self/wards, medical expenses in respect of such treatment or such family members not covered under NSTFDC Medical Rules, Purchase of vehicle and foreign trips;
- (ii) Utilization period of one month needs to be extended;
- (iii) Interest rate may be reduced and kept at par with the rate being charged by our sister corporations;
- (iv) Bills/receipts towards utilization of the Advance may not be insisted upon from the employees as the utilization certificate itself is sufficient.

PROPOSAL

The Board is requested to consider and approve the General Purpose Advance Rules, 2013 as a welfare scheme for the employees of the Corporation, which is enclosed herewith at **Annexure-V**. With the introduction of this Advance Scheme, the existing Computer Advance Scheme is proposed to be discontinued forthwith.

RESOLUTION

If approved, the Board may kindly consider to pass the following Resolution with or without modification(s).

“RESOLVED THAT the General Purpose Advance Rules for the employees of NSTFDC as placed before the Board in the agenda item be and in hereby approved for implementation in NSTFDC.”

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**NATIONAL SCHEDULED TRIBES FINANCE AND
DEVELOPMENT CORPORATION, NEW DELHI**

GENERAL PURPOSE ADVANCE RULES, 2013

These Rules shall be called NSTFDC General Purpose Advance Rules, 2013 and shall come into force from the date of notification after approval of the Board of Directors of NSTFDC.

1. OBJECTION

The objective of granting the General Purpose Advance to the employees of the Corporation in the form of interest bearing loan is to financially assist them for various purposes like renovation of self-owned house, purchase, of household goods & equipment, furniture & fixtures, electronic items, personal computer/laptop, and to meet educational expenses in respect of self or their wards.

With the introduction of these General Purpose Advance Rules, the existing Computer Advance Rules shall be discontinued forthwith.

2. ELIGIBILITY

- (i) Regular employees of NSTFDC, who have completed a minimum five years of service, shall be eligible to draw the General Purpose Advance under these Rules.
- (ii) Employees under suspension shall not be eligible to draw General Purpose Advance.

3. AMOUNT OF ADVANCE AND ELIGIBLY CONDITIONS

- (i) The amount of General Purpose Advance shall not exceed Rs. 3.00 lakhs (Rupees three lakhs only) or 10 times of the basic pay plus DA drawn by the employees on the date of application whichever is lower.
- (ii) The General Purpose Advance under these Rules will be granted provided the Competent Authority is satisfied that the employee has capacity to repay the advance, i.e., total monthly deductions from his salary including the General Purpose Advance installment and TDS, should not be more than 60% of his/her gross emoluments.
- (iii) The General Purpose Advance shall not be granted for more than two occasions in the entire service of an employee in NSTFDC.
- (iv) The second time advance will be admissible only after five years from the date of drawl of the first advance provided the outstanding balance in respect of the previously granted advance together with interest thereon, has been fully repaid by the employee.
- (v) In case of the employees who are due to retire before expiry of the total period prescribed for repayment of the advance, the total number of installments shall get reduced so that the entire advance together with interest is repaid on or before his/her retirement.

- (iv) The employee after drawing the advance under these Rules shall be required to furnish a utilization certificate in the prescribed proforma for the purpose within one month of the drawl of the advance.

4. PROCEDURE

- (i) The employee desirous of drawing the General Purpose Advance shall be required to apply in the prescribed format through proper channel.
- (ii) The employee's application shall be processed by the Personnel Department which after satisfying itself that the employee fulfils all the pre-requisite conditions would recommend the case for sanction to the Competent Authority.
- (iii) On receipt of the sanction order which shall be ordinarily valid for a period of one month from date of issue, the employee shall be required to:
 - (a) Execute an agreement with the Corporation on a non-judicial stamp paper as per the prescribed proforma.
 - (b) Furnish good surety from a regular employee of the Corporation having at least 5 years' service left before retirement and who has not stood surety for any other employee under these rules.
 - (c) Give an undertaking to the effect that in the event of his/her death/cessation from service of NSTFDC, the entire outstanding advance (principal and interest thereon) may be recovered from his/her gratuity or any other service dues that may be payable by the Corporation to him/her or to his legal nominee(s).
 - (d) After execution of the above and said documents, the employee shall draw the advance and utilize the amount for the purpose(s) mentioned in the application within one month of the drawl of the advance. Under exceptional circumstances, the Competent Authority may extend this period up to one month.

5. INTEREST

- (i) The interest on the advance amount sanctioned under the provisions of these Rules shall be simple interest @ 10% p.a. to be calculated on the balance principal outstanding on the last day of each month.
- (ii) The rate of interest prevailing on the date of sanction of the advance shall remain unchanged during the entire term of the advance.
- (iii) If the employee fails to comply with the condition of utilizing the advance amount within the prescribed period, the entire amount of advance along with penal interest @ 2.5% over and above the normal rate of interest shall have to be refunded to the Corporation in lump sum.

6. RELEASE AND REPAYMENT OF ADVANCE:

- (i) The employee may opt for release of the sanctioned amount of advance in one or two installments. The second installment shall be drawn within one year from the date of drawl of the first installment of the advance. However, the repayment period for second installment of advance shall be curtailed so that its repayment period ends with the repayment period of the first installment of advance.

- (ii) The General Purpose Advance together with interest shall be repaid in such number of equal monthly installments as the employee may opt which shall not exceed total 60 monthly installments.
- (iii) The repayment of the amount of advance shall be effected through the monthly pay/leave salary and commence from the month following the month in which advance is drawn.

7. SANCTIONING AUTHORITY

The authority competent to sanction General Purpose Advance shall be the Chairman-cum-Managing Director, NSTFDC.

8. INTERPRETATION AND RELAXATION POWERS

- (i) In the event of any ambiguity/confusion regarding interpretation of any provision under these Rules or any condition stated hereinabove, the decision of the Chairman-cum-Managing Director, NSTFDC, shall be final and binding on the concerned employee.
- (ii) Where operation of any of the above clauses cause/likely to cause undue hardship in any particular case, the Chairman-cum-Managing Director, NSTFDC, on being satisfied about the same, may be order for reasons to be recorded in writing dispense with or relax the requirement of these conditions to such an extent and subject to such exceptions and conditions as he may consider necessary and appropriate for dealing with the case in a just and equitable manner.

9. GENERAL

- (i) The Corporation reserves the right to modify or amend any of the provisions of these Rules without prior notice.
- (ii) Notwithstanding the above, the Corporation reserves the right to reject any application for sanction of advance without assigning any reason thereof.

* * * * *

AGREEMENT

An agreement made on this _____ day of _____, 20____, between Shri/Smt./Kum. _____, s/o, w/o, d/o _____, r/o _____

(hereinafter called the "Borrower" which expression shall include his/her heirs, administrations, executors, legal representatives and assignees), of the one part and the National Scheduled Tribes Finance and Development Corporation (NSTFDC) (hereinafter called the "Corporation" Which expression shall include and assignees) of the other part.

WHEREAS the Borrower has under the provisions of the NSTFDC General Purpose Advance Rules (hereinafter called "Rules" and which expression shall include any amendments thereof and/or any instructions issued in this behalf for the time being in force), applied to the Corporation for an advance of Rs. _____ (Rupees _____ only) for the purposes as specified in his/her application for advance, the Corporation has agreed to lend the said amount to the Borrower on the terms and conditions hereinafter contained.

NOW IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of Rs. _____ (Rupees _____ only) paid by the Corporation to the Borrower (the receipt of which the Borrower hereby acknowledged), the Borrower hereby agrees with the Corporation (i) to pay the Corporation the said amount with interest calculated according to the said Rules by monthly deductions from his salary as provided in the said Rules and hereby authorizes the Corporation to make such deductions; (ii) to utilize the full amount of the said advance for the purpose stated in the application for advance within one month from the date of payment of the said amount or if the actual amount utilized is less than the advance received, to repay the difference back to the Corporation forthwith; and (iii) to furnish adequate surety from a regular employee of the Corporation in the prescribed form and it is hereby lastly agreed and declared that if the amount has not been spend and utilization certificate not furnished within one month from the date of payment of the said sum or if the Borrower within that period becomes insolvent or quits the services of the Corporation, or dies, the whole amount of the loan and interest accrued thereon shall immediately become due and payable.

IN WITNESS WHEREOF the Borrower has hereunto set his hands and Shri/Smt. _____ for and on behalf of the Corporation has, hereunto set his hands on the day and year before written.

Signature and Designation
of the Borrower

Signature of the Witness

For and on behalf of NSTFDC:

Signature and Designation
of the Officer

Signature of the Witness

UNDERTKING

I _____ employed as _____ in
National Scheduled Tribes Finance and Development Corporation (NSTFDC), do hereby
undertake and declare that in the event of my death/premature cessation from service of
NSTFDC, the entire outstanding advance amount (principal and interest thereon), may be
recovered from my death-cum-retirement gratuity/service gratuity or any other service
dues that may be payable by the Corporation to me or to my legal nominee.

(Name & Designation)

Date _____

Place _____

UTILIZATION CERTIFICATE

I _____ employed as _____ in National Scheduled Tribes Finance and Development Corporation (NSTFDC), do hereby certify that I have utilized the amount of Rs. _____ (Rupees _____) out of the advance amount that was drawn by me as General Purpose Advance from the Corporation under the NSTFDC General Purpose Advance Rules. I have utilized the amount for the purpose(s) listed as under and the relevant bills/receipts are also enclosed.

<u>S.No</u>	<u>Purpose</u>	<u>Amount</u>	<u>Bill/Receipt No. & Date</u>
1)			
2)			
3)			
4)			
5)			

I am returning herewith the unutilized advance amount of Rs.....(Rupees.....) vide Cheque/Receipt No..... dated.....

(Signature)
(Name & Designation)