

## OIL INDUSTRY DEVELOPMENT BOARD

### ADVANCES (GRANT AND RECOVERY) REGULATIONS, 1987

In exercise of the powers conferred by rule 21 of the Oil Industry Development Board Employee's (General Conditions of Service) Rules, 1984, the Board hereby make the following Regulations, namely :-

1. **Title** : These Regulations may be called the Oil Industry Development Board Advances (Grant and Recovery) Regulations, 1987
2. **Commencement** : These Regulations shall come into force from the date of their approval by the Board.
3. **Application** : These Regulations shall apply to all employees of the Board excepting those belonging to the following categories :
  - a) Persons employed on deputation for specific periods;
  - b) Retired Government Servants re-employed in the service of the Board.
  - c) Persons appointed by the Board on contract or on casual ad hoc basis.
4. **Definitions** : In these Regulations, unless the context otherwise requires:
  - a) 'Board' means the Oil Industry Development Board.
  - b) 'Employee' means an employee of the Board.
  - c) 'Authorized Officer' means an officer authorized by the Chairman or Secretary.
  - d) 'Development Plot of land' means a plot of land situated in a locality having essential services on which construction can commence immediately on receipt of the loan.
5. **Sanctioning Authority** : 1. Subject to provision of funds in the budget estimates, the Chairman shall have the powers to grant advances upto the maximum limits prescribed under these Regulations.

2. The Chairman may delegate to the Secretary and / or any other officer of the Board such of his powers as he deems fit.

### **HOUSE BUILDING ADVANCE**

#### **6. Eligibility**

1. This advance may be granted to all regular employees of the Board having minimum continuous service of five years.
2. The advance will be given for :-
  - a) acquiring a plot and constructing a house;
  - b) Constructing a new house on the plot already owned by the employee or his/her wife/husband, provided both are willing to mortgage the land and house to the Board as security;
  - c) getting a plot under cooperative schemes and building a house, where the title will vest with the employee after the house is built;
  - d) outright purchase of ready-built house or flat from Government, semi-Government or local Bodies, Housing Boards, Development Authorities, and from private parties;
  - e) repayment of a loan taken from government / private source for house construction, even if the construction of the house has already commenced.

#### **7. Conditions**

The grant of advance for the purpose shall be subject to the following conditions :-

- a) Only one advance will be admissible during entire service.
- b) The employee should not have availed of any loan or advance for the purpose from any other source (housing Board etc.); and where such a loan has been availed of, an advance may be granted by the Board if the employee under-takes to repay the outstanding loan forthwith in one lump-sum.
- c) The employee or his wife or minor child should not already own a house at the same town/urban agglomeration where the house if proposed to be constructed or acquired.
- d) The title to the land is clear.
- e) Advance for ready built house shall be admissible for outright purchase only.
- f) The cost of the house to be build/purchased does not exceed the ceiling limits as under :

<b>Monthly basic pay (plus family pension, if any drawn, at normal rates)</b>	<b>Cost of house to be built / purchased (excluding cost of land) should not exceed.</b>
Upto Rs.2500 p.m.	Rs.1,25,000
More than Rs.2500 p.m. but less than Rs.4100 pm.	Rs.2,00,000
More than Rs.4100	Rs.3,00,000

If both husband and wife are employed in Government, Public Undertakings, Semi-Government institutions or local bodies, the pay of both of them will be taken into consideration for calculating the ceiling.

- g) If a withdrawal from the Contributory Provident Fund is also taken for house building, the total amount of such withdrawal and house building advance shall not exceed the limit indicated in clause (f) above.

## **8 Maximum Amount**

1. In the following cases, the amount of advance admissible is 100 times the monthly pay of the employee or Rs.2.00 lakhs whichever is less.
  - a) Construction of a new house on an existing plot.
  - b) Purchasing a plot and constructing a house thereon.
  - c) Purchase of ready-built house or flat.
2. In case of enlarging the living accommodation in an existing house, the amount admissible is 100 times the monthly pay or Rs.40,000 whichever is less.
3. The amount of the advance will be limited to the estimated cost of construction, supported by building plans etc. and the employee's repaying capacity, which will be computed as under :
  - a. Officials retiring after 20 years 50% of basic pay
  - b. Officials retiring after 10 years 60% of basic pay plus 80%  
but not later than 20 years. of DCRG.
  - c. Officials retiring within 10 67% of basic pay plus 90%  
years. of DCRG.
4. In the case of a house in a rural area, the advance will be limited to 80% of the cost of land and construction or 80% of the cost fo enlarging accommodation.

## 9. Disbursement of the Advance

1. The entire amount will be paid in one lump sum in the case of ready built houses on production of documentary evidence, including an attested copy of a letter from the organization concerned allotting or agreeing to allot the house / flat.
2. In the case of purchases/construction of new flats, the amount will be disbursed in one lump sum, or in suitable installments, on submission of the following documents along with application for advance :
  - a) Documentary evidence to the effect that the society / organisation concerned has acquired a clear, absolute and marketable title to the land on which house/flats have been constructed/ are to be constructed;
  - b) A certificate of the Society / organization concerned that the properties are free from encumbrances;
  - c) A copy of the approved plan;

#### **10 Security**

1. The entire amount, or the first instalment of advance will be paid only after the execution of the prescribed agreement. Further instalments will be released after fulfillment of the conditions regarding mortgage and stages of construction.
2. Disbursement of subsequent instalments in the case of construction of house will be made after the employee mortgages to the Board the land along with the house to be built thereon.

#### **11 Utilisation**

1. Utilisation of the advance for a purpose other than that for which it is sanctioned shall render the employee liable to suitable disciplinary action. He may also be called upon to refund to the Board forthwith, the entire advance drawn by him together with interest accruing thereon.
2. The employee shall furnish the utilization certificate/sale deed etc. within 2 months of the payment of advance.

#### **12 Interest**

The advance will carry the rate of interest as may be laid down by the Central Government from time to time.

### **13 Repayment**

1. The advance, granted to an employee under these Regulations, together with the interest thereon, shall be repaid in fully by monthly instalments within a period not exceeding 20 years, 180 monthly instalments for principal and 60 instalments for interest.

### **14 Stamp Duty**

Stamp duty, if any, chargeable on documents, registration fees and other expenses to be incurred for the completion of legal and other formalities shall be borne by the employee out of his own resources.

### **15 Insurance & Maintenance**

1. Immediately on completion, or purchase of the house, the employee shall get the house insured at his own cost with the Insurance Corporation for the sum not less than the amount of advance and shall keep it so insured against damage by fire, flood or lightening, till the advance is fully repaid and deposit the policy with the Board. The premium must be paid regularly and the premium receipts produced for inspection by the advance sanctioning authority.
2. If an employee fails to effect insurance, as above, it shall be lawful, but not obligatory, for the Board to insure the said house at the cost of the employee and add the amount of the premium to the outstanding amount of advance, and the employee shall be liable to pay the interest thereon at the prescribed rate.
3. The employee shall maintain the house in good repair at his own cost. He shall also keep it free from all encumbrances and shall continue to pay all the Municipal and other local taxes regularly until the advance has been fully repaid. The employee shall furnish an annual certificate to this effect to the sanctioning authority. The sanctioning authority may arrange annual inspection to verify the correctness of such certificates.

## **ADVANCE FOR PURCHASE OF VEHICLES**

### **16 Motor Car Advance**

1. An officer of the Board drawing basic pay of Rs.3700/- and above may be granted an advance for purchase of a motor car.
2. The total amount to be advanced to an officer shall not exceed 36 months pay or Rs.80,000/- or the actual cost of the car whichever is the least.
3. The advance shall be recoverable in not more than 200 monthly instalments. The recovery shall start from the pay of the month following the month of drawal of advance
4. Prior sanction of the Secretary shall be necessary to sell or transfer the vehicle before the complete payment of advance and interest.
5. the advance shall carry the simple interest at the rate as may be laid down by Government from time to time.
6. The vehicle shall be hypothecated to the Chairman, OIDB, as a security, through a mortgage deed.
7. The vehicle shall be insured comprehensively against loss or damage by fire, theft or accident, strike, riot etc. The amount for which the vehicle is insured shall not be less than the outstanding amount of advance.

### **17. Advance for the purchase of Scooter / Motor Cycle / Moped**

1. This advance shall be admissible to an employee drawing pay of Rs.1400/- p.m. or more.
2. The total amount of advance shall not exceed 15 months pay or Rs.12000/- or anticipated price of the vehicle whichever is the least.
3. The advance shall be recoverable in not more than 70 monthly instalments.
4. The advance shall carry the simple interest at the rate as may be specified by the Central Government from time to time.
5. The vehicle shall be insured comprehensively.

## **18 Bicycle Advance**

1. This advance shall be admissible to an employee whose pay does not exceed Rs.2000/- per month.
2. the total amount that can be advanced to an employee shall not exceed Rs.800 or the anticipated price of the bicycle whichever is less.
3. The amount shall be recoverable in not more than 25 equal monthly instalments.
4. subsequent advance shall not be admissible within the period of 5 years of grant of the first advance.
5. The employee shall furnish the cash receipt and voucher within one month of drawing the advance.
6. The advance shall carry the simple interest at the rate of 7% per annum.
7. The recovery of interest shall follow the recovery of the advance.
8. The recovery of the advance shall commence with the first issue of the pay, leave salary or subsistence allowance, as the case may be, after the advance is drawn.

## **19. Utilisation of Advance**

Unless an employee, who is sanctioned an advance for the purchase of a conveyance, completes the purchase of, and pays for, the conveyance within one month from the date on which he draws the advance, he shall refund forthwith the full amount of the advance together with the interest on that amount for one month.

## **20 Charging of penal interest.**

Where the amount of advance is retained beyond the period of one month in contravention of regulation 19, the interest shall be charged at Board's gross lending rate which is 2.5% above the prescribed rate of interest.



**21 Medical Advance**

Employees of the Board may be granted an interest free advance not exceeding Rs.4000 or two months pay, whichever is less on each occasion to meet the cost of medical treatment for themselves or their families at hospitals, subject to the production of adequate proof that hospitalization is essential or has been resorted to. The advance will be accountable and adjustable in accordance with the provisions of the OIBB Employees (Medical Attendance) Rules, 1978.

- 22** The employees of the Board or their families shall also be entitled to such other advances/reliefs as are admissible to Central Government Servants of Comparable posts, or their families under orders issued by the Central Government from time to time.