

Gauhati University Loans and Advances Rules, 1959

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Rule

GAUHATI-UNIVERSITY-LOANS-AND-ADVANCES-RULES-1959 of 1959

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Gauhati University Loans and Advances Rules, 1959 Last Updated 11th February, 2020

1.

These Rules may be called the Gauhati University Loans and advances Rules 1959. They shall come into force on such date as the Executive Council may by a resolution direct.

2. Definitions.

- In these Rules, unless there is anything repugnant in the subject or context-(i)"University" means the Gauhati University ;(ii)"Executive Council" means the Executive Council of the Gauhati University;(iii)"Head of Administrative Department" means the Registrar, the Treasurer and the Secretary, University Classes of the University.(iv)"Officers and teachers" means respectively officers and teachers of the University;(v)"Employees" includes officers, teachers, clerical staff and employees of similar cadres and servants and employees below the rank of clerical staff appointed by the University and includes a Government servant in foreign service under the University, but does not include a Government servant doing work for the University under the control of his departmental superiors in the Government service.(vi)"Advance" means the total amount of a loan granted for a particular purpose.(vii)"Borrower" means an employee of the University who draws an advance from the University for building a house or purchasing a motor car.(viii)Words and expressions not defined in these Rules shall have the same meaning as in the Gauhati University Act, 1947.

3.

These Rules shall regulate the grant of advances to the University employees for construction of houses and purchase of motor car.

4.

Simple interest will be charged on all advances granted to University employees at rates to be fixed from time to time by the Executive Council.

5.

These Rules shall apply to University employees appointed permanently or for a period of not less than five years.

6.

All advances are subject to repayment by the employees receiving them, in accordance with the rules applicable to the case. When an advance is repayable by instalments the amount to be recovered monthly should not be affected by the fact of an employee going on leave of any kind with full average pay. It will, however, be open to the Executive Council to sanction reduction in any case in which they deem it right; provided that the whole amount shall be recovered by the due date. The drawing employee should ascertain from the office of the Treasurer the amount of interest due as soon as the last instalment of the principal is repaid.

7.

In all matters relating to the application or interpretation of these Rules, the decision of the Executive Council shall be final. The Executive Council, shall also have the power to relax the application of any of these Rules in exceptional cases for reason to be recorded. General

8.

No employee shall be given a second advance on any account while any portion of a previous advance with interest thereon is outstanding against him.

9. Advances for construction of houses.

- Advances may be made under sanction of the Executive Council to employees who desire to hold houses for occupation by themselves in or within four miles of the Gauhati Municipality or within four miles of the University campus.

10.

All such advances must be for the purpose of building houses for the personal residence of the employees concerned and if more is advanced than is actually expended for the purpose, the surplus must be refunded to the University immediately on completion of the house.

11.

The advance should be drawn in instalments the amount of each instalment being such as is likely to be required for expenditure in the next three months. The first instalment should in no case be greater than the total valuation of the land in which the house is proposed to be constructed. A certificate that the amount of the previous instalment has been actually utilised for the purpose for which it was drawn shall be submitted to the University before the next instalment is paid. At the end of three months from the date of drawal of the last instalment, a further certificate should be submitted to the University to the effect that the amount of the last instalment of the advance has actually been utilised for the purpose for which it was drawn. Such certificate must be obtained from the University Engineer or such other officer as may be authorised by the Executive Council.

12.

Repayment of the advance shall commence from the fourth issue of pay after the first instalment is taken. The amount of the monthly instalment should be so fixed as to enable recovery of the full amount of the advance with interest thereon within ten years from the date of drawing the first instalment or before termination of service of the employment concerned whichever is earlier.

13.

No advance shall exceed Rs. 10,000 or thirty-six months substantive pay of the employee concerned, whichever is less ; not more than one advance shall be made for the same house ; and no employee may receive a second advance while any portion of a previous advance with interest accrued thereon is outstanding against him.

14.

Subject to the provisions of Rule 13, supplementary advance for the same house may, however, be granted in the following cases : (i) if the cost of the work bona fide under-estimated at the time of submission of plans and estimates ; (ii) if the University could not grant the full amount admissible to the employee concerned due to shortage of funds.

15.

Subject to the provisions of Rule 12, advances shall be recovered by deduction of monthly instalments from the pay bills of the employee concerned. The amount of interest will be recovered

in open or more instalments each such instalment being not much greater than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid. The amount of the advance with interest accrued thereon to be recovered monthly should be fixed in whole rupees except in the case of the last instalment when the remaining balance including fractions of a rupee should be recovered. The whole of the principal sum of an advance with interest accrued thereon which remains unpaid at the time an employee leaves service of the University whether voluntarily or otherwise should be recovered in one instalment before his accounts are finally settled.

16.

Before an advance for house-building is drawn, the land together with houses to be built thereon with the aid of the advance shall be mortgaged to the University. But in no case land over which the employee has not got possession and transferable and heritable rights shall be accepted as security for mortgage. The mortgage will be released by the University on payment of the full amount due from the employee. The entire cost of stamps, registration etc. will be borne by the mortgagor.

17.

The employee must satisfy the Executive Council regarding his title to the land upon which the house is proposed to be built: (i) This rule does not preclude the grant of an advance to an employee who does not possess full proprietary rights in the land upon which he intends to build ; provided that the Executive Council is satisfied that the applicant has a lease of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and there is no danger of the lease lapsing or of the University being unable to dispose of it should become necessary to foreclose the mortgage. (ii) The employee taking a house-building advance shall submit to the Treasurer receipts for land revenue, ground rent, Municipal taxes and other public demands, as the case may be, in respect of the mortgaged property within fifteen days of their falling due or within such time as the Treasurer may fix. If the Treasurer finds that such dues have not been paid by the borrower, steps shall be taken to recover the said dues including thereon, if any, from the next monthly pay of the employee concerned for payment to the parties concerned. (iii) No house-building advance shall be sanctioned unless the Executive Council is satisfied that the employee has valid title to the land and the same is free from any previous encumbrance ; that there will be no legal obstacle to the property being mortgaged to the University and the University will have the right of foreclosing on the conditions mentioned in the mortgage bond and unless a lawyer appointed by the Executive Council has certified that the security is good and acceptable. For this purpose necessary documents and certificates from the Revenue and Registration Department of the State Government and such other certificates as the Executive Council may deem necessary shall be produced by the employee at his own cost.

18.

Applications for an advance must be made through the Head of the Administrative Department to which the applicant is attached who will record his opinion as to the necessity for the advance

solicited. The applicant must satisfy that the sum is to be expended in building only and pledge himself that should there be any surplus he will refund the same to the University.

18A.

(1) Advance may also be given where considered necessary for the purchase of land on which to construct a house, if the other conditions are satisfied and the total amount of the advance for the purchase, of the land and the construction of the house does not exceed 36 months pay of the employee or Rs. 10,000. (2) The employee should sign an agreement in the prescribed form before taking an advance for the purchase of land, and the amount should not exceed what is required for the purpose subject to a maximum of 40% of the advance admissible to him. A mortgage deed in the prescribed form should be executed before any further advance is drawn for the purpose of the construction of the house within one month from the date of signing the agreement whichever is earlier. The mortgage deed must be registered within one month of its execution. The fact of execution and the registration of the mortgage deed should be intimated to the Treasurer as soon as possible. (i) Applications for an advance for house-building should in all cases be accompanied by a report from the Head of the Administrative Department concerned who should state besides his opinion as to the necessity of the advance, whether any previous advance has been made to the applicant and if so, when and whether such advance has been fully repaid or not. (ii) After the application for house building loan is found on preliminary examination to be in order and the funds are available for the purpose, the case should be referred to a legal adviser of the University and his professional fees at the rate prescribed by the University should be realised from the loanee.

19.

No part of an advance can be disbursed from the University until the mortgage bond is duly executed and registered.

20.

The houses built with the aid of an advance from the University must be insured with an Insurance Company to be approved by the Executive Council against full loss by fire and the policies must be pledged in favour of the Gauhati University. The value covered by the insurance shall be less than the amount of the advance and interest accruing thereon outstanding at the time. Such insurance would be effected within two months of drawing the last instalment and the employee shall be required to submit to the Treasurer a letter in prescribed form to the Insurance Company with which the houses are insured to notify to them the fact that the Gauhati University is interested in the policy secured. The Treasurer will then forward the letter to the Company and obtain their acknowledgement.

21.

Any contravention of these Rules by a borrower will make him liable to pay the entire mortgage

money outstanding at the time in a single instalment within fifteen days of notice to that effect.

22. Advance for purchase of motor cars.

- An advance may be granted to an officer or teacher drawing a monthly substantive pay of Rs. 400 or more for the purchase of a motor car.

23.

The total amount to be advanced to an officer or teacher shall not exceed twelve months pay or Rs. 10,000 which is less ; not more than one advance shall be made for the same car. If the actual price paid is less than the advance taken the balance shall forthwith be refunded to the University.

24.

Repayment of the advance shall commence from the second issue of pay after the advance is drawn. The amount of the monthly instalment shall be so fixed as to enable recovery of the full amount of the advance with interest thereon within five years from the date of drawing the advance or before termination of services of the officer or teacher concerned whichever is earlier. The amount of interest calculated on the basis of Section 4 will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal is recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

25.

An officer or teacher possessing a motor car purchased with the aid of an advance shall not, without previous sanction of the Executive Council sell or transfer the same to any other person before the amount of the advance with the interest accrued thereon has been fully repaid.

26.

(i) If an officer or teacher drawing an advance for purchasing a motor car fails to purchase the same within one month from the date of drawing the advance, the amount drawn with interest thereon shall be forthwith refunded to the University. (ii) No advance shall be paid unless an agreement is executed agreeing to create a first charge in favour of the University on the car to be purchased. (iii) Immediately on completing the purchase an officer or teacher shall execute a mortgage bond hypothecating the motor car to the University as security for the advance. The cost price of the motor car should be entered in the schedule of specifications attached to the mortgage bond. He shall also effect registration of the motor car in his name under the Motor Vehicles Act, 1939 with endorsement that the car is hypothecated in favour of the University and such registration certificate shall be submitted to the Treasurer : Provided that the deed of hypothecation of motor car, Scooter, Bicycles purchased out of the advance from the University does not require

registration, but the deed is to be drawn up on proper stamp paper.

27.

An officer or teacher must insure the motor car purchased with the aid of the advance from the University under a comprehensive insurance policy covering all risks. Such insurance should be effected within one month from the date of purchase of the motor car and the officer or teacher shall be required to submit to the Treasurer a letter in prescribed form to the Motor Insurance Company with which the motor car is insured to notify to them the fact that the University is interested in the insurance policy secured. The Treasurer will then forward the letter to the Company and obtain their acknowledgement. In the case of insurance effected on annual basis the process prescribed above should be repeated every year until the advance is fully repaid. The amount for which the motor car is insured during any period should not be less than the outstanding balance of the advance with the interest accrued at the beginning of that period.

28.

Subject to the provision of Section 25 when a motor car is sold before the advance received for its purchase from the University has been fully repaid with interest accrued thereon the sale proceeds must be applied, so far as may be necessary towards the repayment of such outstanding balance ; provided that when the motor car is sold only in order that another motor car may be purchased, the Executive Council may permit an officer or teacher to supply the sale proceeds towards purchase, subject to the following conditions : (a) The cost of the motor car subsequently purchased must not be less than 1- $\frac{1}{3}$ (one and a third) times the outstanding amount of advance including the interest accrued thereon. (b) The amount outstanding shall continue to be repaid at the rate previously fixed. (c) The motor car must be insured and mortgaged to the University as required by these Rules.

29. Advance for purchase of motor cycle.

- Any advance may be granted to a permanent employee for the purchase of a motor cycle subject to the following conditions : (1) That the amount of the advance does not exceed six months substantive pay or Rs. 2,000 or the anticipated price of the motor cycle whichever is less. If the actual price paid is less than the advance then the balance should forthwith be refunded to the University. (2) That the recovery is made by deducting monthly instalments equal to one-fortieth part of the advance from the pay bill of the employee after the advance is drawn. (3) All other conditions shall be the same as in the case of an advance for purchase of a motor car.

30. Advance for purchase of bicycles.

- An advance may be granted to a permanent employee of the University for the purchase of a bicycle subject to the following conditions : (i) The advance may be granted to a permanent University employee drawing a substantive pay of less than Rs. 500 p.m. (ii) The total amount of the advance shall not exceed four months pay or Rs. 250 whichever is less and shall be limited to the

anticipated price of the bicycle to be purchased. If the actual price paid is less than the advance taken, the balance should be forthwith refunded to the University.(iii)Recovery of advance will be made in 25 instalments from the salary of the employee from the first issue of the pay after the advance is drawn. The amount of interest calculated in accordance with Section 4 will be recovered as laid down above.(iv)All other conditions shall be the same as in the case of purchasing a motor car.

31.

Any contravention of these Rules will render the officer or teacher liable to refund in a single instalment the entire amount advanced with interest accrued thereon.