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इस भाग में भिन्न-पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके  
(Separate paging is given to this Part in order that it may be filed as a separate compilation)

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18. A Representative of Government of Karnataka.
19. A Representative of Government of Goa.
20. Chairman-cum-Managing Director, Hindustan Copper Limited, Kolkata.
21. Chairman-cum-Managing Director, National Aluminium Company Ltd., Bhubaneswar.
22. Chairman-cum-Managing Director, MOIL Ltd., Nagpur.
23. Director, National Metallurgical Laboratory, Jamshedpur.
24. Director, Indian School of Mines, Dhanbad.
25. Professor, Department of Mining, VNIT, Nagpur.
26. Any other member as Special Invitee.

**MEMBER SECRETARY**

Technical Secretary, IBM, Nagpur

The functions of its Board will be advisory in character. It will advise both the Indian Bureau of Mines and the Government. The Board will be at liberty to correspond directly with Government. The Indian Bureau of Mines will provide the Secretariat of the Board. The Board should devise its own working rules and procedures but the Government would expect it to meet at least twice a year. The functions of the Board will be as follows:—

**FUNCTIONS**

1. To review and advise on the Annual and Five Year Plan and proposals of Indian Bureau of Mines.
2. To review and advise on the programme of work during the coming year.
3. To review and advise on the implementation of restructuring programme of IBM.
4. To appraise from time to time the work, in different areas, done by the Indian Bureau of Mines.
5. To advise on the matter of SDF and its implementation.
6. To advise on implementation of Mining Tenement System (MTS).
7. To advise on implementation of Rule 45 of Mineral Conservation and Development Rules 1988.
8. To advise on systems of Management Information and Management Accounting.
9. To advise on ways and means of making Indian Bureau of Mines functioning more effective.

**TENURE**

The Advisory Board will generally function for two years from the date of its constitution unless the term is extended by the Government.

**ORDER**

Ordered that this Resolution be communicated to all the State Governments and Central Ministries of the Government of India, Prime Minister's Office, Cabinet Secretariat, Ministry

of Parliamentary Affairs, Planning Commission, Comptroller and Auditor General of India, Indian Bureau of Mines, Geological Survey of India and Department of Atomic Energy.

ROKHUM LALREMUATA

Director

**MINISTRY OF HUMAN RESOURCE DEVELOPMENT**

(DEPARTMENT OF HIGHER EDUCATION)

New Delhi, the 6th June 2012

**RESOLUTION**

Subject:—Reconstitution of the National Monitoring Committee for Minorities' Education (NMCME) on expiry of tenure.

No. 6-4/2010-MC(Pt.)—In continuation of this Ministry's Resolution of even number dated 23rd December, 2011 on the subject mentioned above, the Government of India has decided to nominate Shri Niaz Ahmed Farooqui, Secretary, Jamiat Ulema-I-Hind, No. 1, Bahadur Shah Zafar Marg, New Delhi-110002 as Member of the National Monitoring Committee for Minorities' Education (NMCME) listed under the head academics, activists and administrators connected with minority issues in place of Shri Maulana Arshad Madani who has declined to be on the Committee.

**ORDER**

Ordered that a copy of the resolution be communicated to the Chairman and other members of the Committee.

Ordered also that the resolution be published in the Gazette of India for general information.

AMIT KHARE

Jt. Secy.

**MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION**

New Delhi, the 21st June 2012

No. O-17034/122/2009-H—In pursuance of the approval of the Cabinet vide its minutes of the meeting dated 23rd March, 2012, the Central Government hereby makes the following scheme for the purpose of providing guarantees in respect of low income housing loans, namely:—

1. Short title and commencement
- (1) The Scheme shall be known as the Credit Risk Guarantee Fund Scheme for Low Income Housing, 2012.
- (2) It shall come into force on the date of its publication in the Official Gazette.
- (3) It shall cover eligible housing loan extended by the lending institutions to eligible borrowers effective from the date of publication of the Scheme in the Official Gazette.

## 2. Definitions

For the purposes of this Scheme :—

- (1) "Amount in Default" means the principal and interest amount outstanding in the account(s) of the borrower in respect of housing loan, as on the date of the account becoming Non Performing Assets (NPA), or the date of lodgement of claim application whichever is lower or such of the date as may be specified by the Credit Risk Guarantee Fund Scheme (CRGFS) for preferring any claim against the guarantee cover subject to a maximum of amount Guaranteed.
- (2) "Base Rate" means the rate so declared by the lending institution for the relevant time period/duration for which the housing loan has been extended.
- (3) "Bank Rate" means the rate at which the Reserve Bank of India (RBI) lends money to other banks or financial institutions.
- (4) "Carpet area" means the net usable floor area of an immovable property, excluding the area covered by the walls.
- (5) "Collateral security" means the security provided in addition to the primary security, in connection with the housing loan extended by a lending institution to a borrower.
- (6) "Eligible borrower" means new or existing individual borrowers in EWS/LIG categories of the population who are seeking individual housing loans not exceeding a sum of Rs. 5 lakh or such amount as may be decided by the Trust from time to time and a housing unit of size upto 430 Sqft (40 Sqm) carpet area and to which housing loan has been provided by the lending institution without any collateral security and/or third party guarantees. Eligible borrowers, as defined above, forming a group or housing society of at least 20 members, shall also be eligible under the scheme".
- (7) "Economically Weaker Section (EWS)" means households with monthly household income upto Rs. 5,000/- per month or as revised by the Ministry of Housing & Urban Poverty Alleviation, Government of India, from time to time.
- (8) "Eligible Activity" means home improvement, construction, acquisition, and purchase of new or second hand dwelling units involving a housing loan amount not exceeding Rs. 5 lakh per person.
- (9) "Guarantee Cover" means maximum cover available per eligible borrower of the amount in default in respect of the housing loan extended by the lending institution.
- (10) "Housing Loan" means any financial assistance by way of housing loan extended by the lending institution to the eligible borrower for home improvement, construction, and extension of an affordable dwelling unit. For the purpose of calculation of guarantee fee, the "housing loan extended" shall mean the amount of financial assistance committed by the lending institution to the borrower, whether disbursed or not.
- (11) "Lending institution(s)" means a commercial bank for the time being included in the second Schedule to the Reserve Bank of India Act, 1934 Regional Rural Banks, Urban Co-operative Banks, Non Banking Financial Companies-Micro Finance Institutions (NBFC-MFIs) and Apex Co-operative Housing Finance Societies registered under the State Co-operative Societies Act, eligible under RBI guidelines, as may be specified by the Trust from time to time, Housing Finance Institutions registered with National Housing Bank, or any other institution (s) as may be directed by the Govt. of India from time to time. The Trust may, on review of performance, remove any of the lending institutions from the list of eligible institutions.
- (12) "Lock-in Period" means the period for which a lender agrees to hold steady the agreed upon terms of finance on the loan irrespective of the market conditions. In this case, the lender cannot make any claim on the Trust for settlement within the period of 24 months after the last disbursement was made to the borrower or within the period of 24 months from the date of the guarantee cover coming into force in respect of the particular housing loan or 2 months after the completion of the house, whichever is later.
- (13) "Lower Income Group (LIG)" means households with monthly income between Rs. 5001/- to Rs. 10,000/- per month or as fixed by the Ministry of Housing & Urban Poverty Alleviation, Government of India, from time to time.
- (14) "Low Income Housing" means a housing unit, for economically weaker and low income individuals, of size upto 430 Sqft (40 Sqm) carpet area.
- (15) "Material date" means the date on which the guarantee fee on the amount covered in respect of eligible borrower becomes payable by the lending institution to the Trust.
- (16) "Non Performing Assets" means a loan classified as a non-performing based on the instructions and guidelines issued by the Reserve Bank of India/ National Housing Bank from time to time.
- (17) "Primary security" in respect of a housing loan shall mean the assets created out of the housing loan so extended and/or existing unencumbered

- assets of the borrower which are directly associated with the property for which the housing loan has been extended.
- (18) "Scheme" means the Credit Risk Guarantee Fund Scheme for Low Income Housing (CRGFS).
- (19) "Settlor" means a person or an organization in relation to a settlement if the settlement was made by that person or organization. In this case the Ministry of Housing and Urban Poverty Alleviation, Government of India is the settler of the Trust.
- (20) "Tenure of guarantee cover" means the period of guarantee cover from Guarantee start date which shall run through the agreed tenure of the housing loan and for a maximum period of 25 years or loan termination date, whichever is earlier or such period as may be specified in the agreement between the lender and the Trust.
- (21) "Trust" means the Credit Risk Guarantee Fund Trust created under sub-section 18 to administer the Scheme.

#### CHAPTER I

#### SCOPE AND EXTENT OF THE SCHEME

##### Guarantee by the Trust

- (1) Subject to the other provisions of the Scheme, the Trust undertakes, in relation to housing loan extended to an eligible borrower from time to time by an eligible lending institution which has entered into the necessary agreement for this purpose with the Trust, to provide a guarantee on account of the said housing loans.
- (2) The Trust reserves the discretion to accept or reject any proposal referred by the lending institution which otherwise satisfies the norms of the Scheme.

##### 3. Housing Loans eligible under the Scheme

- (1) The Trust shall cover housing loans extended by eligible lending Institution(s) to an eligible borrower in the low income housing sector for housing loan not exceeding Rs. 5 lakh by way of housing loans on or after entering into an agreement with the Trust, without any collateral security and/or third party guarantees or such amount as may be decided by the Trust time to time.

Provided that the lending institution applies for guarantee cover in respect of loan proposals sanctioned in the quarter April-June, July-September, October-December and January-March prior to expiry of the following quarter viz. July-September, October-December, January-March and April-June respectively.

Provided further that, as on the material date

- (a) The dues to the lending institution have not become bad or doubtful of recovery, and/or
- (b) The property/asset of the borrower for which the housing loan was granted has not ceased; and/or
- (c) The housing loan has not wholly or partly been utilised for adjustment of any debts deemed bad or doubtful of recovery, without obtaining a prior consent in this regard from the Trust.
- (d) The borrower has paid the necessary fees and charges for the said property.
- (2) Housing loans can be extended by more than one lending institution jointly and/or separately to eligible borrower up to a maximum loan up to Rs. 5 lakh per borrower and per primary security subject to ceiling amount of individual lending institution or such amount as may be specified by the Trust.
- (3) The eligible borrower shall be required to submit an undertaking to the lending institution to the effect that she/he has not availed any other housing loan covered under this scheme nor any additional risk cover has been granted to the housing loan availed by her/him by Government or by any general insurer or any institution or any other person or association of persons carrying on the business of insurance, guarantee or indemnity.

##### 4. Housing loans not eligible under the Scheme

The following housing loans shall not be eligible for being guaranteed under the Scheme :—

- (1) Any housing loan in respect of which risks are additionally covered by Government or by any general insurer or any institution or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered.
- (2) Any housing loan granted to any borrower, who has availed himself of any other housing loan covered under this scheme or under the schemes mentioned in clause (1) above and where the lending institution has invoked the guarantee provided by the Trust or under the schemes mentioned in clause (1) but has not repaid any portion of the amount due the Trust or under the schemes mentioned in clause (1) as the case may be, by reason of any default on the part of the borrower in respect of that housing loan.
- (3) Any housing loan which has been sanctioned by the lending institution against collateral security and/or third party guarantee.
- (4) Any housing loan which has been sanctioned by the lending institution with interest rate more than

the prevailing interest rate applicable for that eligible loan category or "2% over the base rate of the lending institutions in cases where base rate is applicable", whichever is easier. However, the Trust may revise such ceiling from time to time keeping in view the prevailing interest rate scenario, base rates of lending institutions and RBI's Credit Policies, at that time.

#### 5. Modifications and exemptions

- (1) The Ministry of Housing & Urban Poverty Alleviation reserves to itself the right to modify, cancel or replace the scheme so, however, that the rights or obligations arising out of, or accruing under a guarantee issued under the Scheme up to the date on which such modification, cancellation or replacement comes into effect, shall not be affected.
- (2) Notwithstanding anything herein contained, the Trust shall have a right to alter the terms and conditions of the Scheme in regard to an account in respect of which guarantee has not been invoked as on the date of such alteration.
- (3) In the event of the Scheme being cancelled, no claim shall lie against the Trust in respect of facilities covered by the Scheme, unless the provisions contained in Clause (1) and (2) of Section 13 of the Scheme are complied with by the lending institution.

### CHAPTER II

#### LENDING INSTITUTIONS

#### 6. Agreement to be executed by the lending institution

A lending institution shall not be entitled to a guarantee in respect of any eligible housing loan granted by it unless it has entered into an agreement with the Trust in such form as may be required by the Trust for covering by way of guarantee, under the Scheme all the eligible housing loans granted by the lending institution, for which provision has been made in the Scheme.

#### 7. Conditions imposed under the Scheme to be binding on the lending institution

- (1) Any guarantee given by the Trust shall be governed by the provisions of the Scheme as if the same had been written in the documents evidencing such guarantee.
- (2) The lending institution shall as far as possible ensure that the conditions of any contract relating to an account guaranteed under the Scheme are not in conflict with the provisions of the Scheme but notwithstanding any provision in any other document or contract, the lending institution shall

in relation to the Trust be bound by the conditions imposed under the Scheme.

#### 8. Responsibilities of lending institution under the scheme

- (1) The lending institution shall evaluate housing loan applications by using prudent banking judgment and shall use their business discretion/due diligence in selecting housing loan proposals and conduct the account(s) of the borrowers with normal banking prudence.
- (2) The lending institution shall closely monitor the borrower account.
- (3) The lending institution shall safeguard the primary securities taken from the borrower in respect of the housing loan in good and enforceable condition.
- (4) The lending institution shall ensure that the guarantee claim in respect of the housing loan and borrower is lodged with the Trust in the form and in the manner and within such time as may be specified by the Trust in this behalf and that there shall not be any delay on its part to notify the default in the borrowers account which shall result in the Trust facing higher guarantee claims.
- (5) The payment of guarantee claim by the Trust to the lending institution does not in any way take away the responsibility of the lending institution to recover the entire outstanding loan amount from the borrower. The lending institution shall exercise all the necessary precautions and maintain its recourse to the borrower for entire amount of housing loan owed by it and initiate such necessary actions for recovery of the outstanding amount, including such action as may be advised by the Trust.
- (6) The lending institution shall comply with such directions as may be issued by the Trust, from time to time, for facilitating recoveries in the guaranteed account, or safeguarding its interest as a guarantor, as the Trust may deem fit and the lending institution shall be bound to comply with such directions.
- (7) The lending institution shall, in respect of any guaranteed account, exercise the same diligence in recovering the dues, and safeguarding the interest of the Trust in all the ways open to it as it might have exercised in the normal course if no guarantee had been furnished by the Trust. The lending institution shall, in particular, refrain from any act of omission or commission, either before or subsequent to invocation of guarantee, which may adversely affect the interest of the Trust as the guarantor. In particular, the lending institution should intimate the Trust while entering into any compromise or arrangement, which may have effect of discharge or waiver of personal guarantee(s) or security.

## 9. Returns and Inspections

- (1) The lending institution shall submit such statements and furnish such information as the Trust may require in connection with any housing loan under this Scheme.
- (2) The lending institution shall also furnish to the Trust all such documents, receipts, certificates and other writings as the latter may require and shall be deemed to have affirmed that the contents of such documents, receipts, certificates and other writings are true, provided that no claim shall be rejected and no liability shall attach to the lending institution or any officer thereof for anything done in good faith.

## CHAPTER III

## GUARANTEE, FEES AND CLAIMS

## 10. Extent of the guarantee

The Trust shall provide guarantee as under :

Category	Maximum extent of guarantee where Housing Loan is	
	Upto Rs. 2 lakh or such amount as decided by the Trust from time to time.	Above Rs. 2 lakh and upto Rs. 5 lakh or such amount as decided by the Trust from time to time.
Housing Loans by Individual Borrowers	90% of the amount in default subject to the ceiling of 90% of the sanctioned housing loan amount	85% of the amount in default subject to ceiling of 85% of the sanctioned housing loan amount

- (1) The tenure of the guarantee cover shall be as defined under clause (20) of Section 2 of the Scheme.

## 11. Guarantee Fee

- (1) One-time guarantee fee at specified rate of 1.00% or as specified by the Trust after taking approval from the Ministry of Housing and Urban Poverty Alleviation from time to time of the total loan amount shall be paid upfront to the Trust by the institution availing of the guarantee within 30 days from the date of first disbursement of housing loan or 30 days from the date of Demand Advice of guarantee fee whichever is later or such date as specified by the Trust.
- (2) The guarantee fee shall not be charged from the beneficiary as an upfront processing fee. However, banks may alter the interest rate to cover upto 50% of the guarantee fee. The premium charged should be clearly disclosed by the lending institutions.

There shall be no annual servicing fee under this Scheme.

- (3) The guarantee fee once paid by the lending institution to the Trust is non-refundable, except under certain circumstances like:—
  - (a) Excess remittance,
  - (b) Remittance made more than once against the same loan application,
  - (c) Guarantee fee not due,
  - (d) Guarantee fee paid in advance but application not approved for guarantee cover under the scheme, etc.

## 12. Invocation of guarantee

- (1) The lending institution shall invoke the guarantee in respect of housing loan—

In case the loan is classified as NPA before the lock-in period expires, within one year of the expiry of the lock-in period; or

In case the loan is classified as NPA after the lock-in period expires, within one year of the loan being classified as NPA.

Subject to the following conditions being satisfied :—

- (a) The guarantee in respect of that housing loan was in force at the time of account turning NPA;
- (b) The lock-in period has elapsed;
- (c) The amount due and payable to the lending institution in respect of the housing loan has not been paid and the dues have been classified by the lending institution as Non Performing Assets. Provided that the lending institution shall not make or be entitled to make any claim on the Trust in respect of the said housing loan if the loss in respect of the said housing loan had occurred owing to actions/decisions taken contrary to or in contravention of the guidelines issued by the Trust.
- (d) The housing loan has been recalled and the recovery proceedings have been initiated under due process of law. Mere issuance of recall notice under SARFAESI Act 2002 cannot be construed as initiation of legal proceedings for purpose of preferment of claim under CGS. Eligible lending institutions are advised to take further action as contained in Section 13 (4) of the above Act wherein a secured creditor can take recourse to any one or more of the recovery measures out of the four measures indicated therein before submitting claims for first installment of guaranteed amount. In case the lending institution is not in a position to

take any of the action indicated in Section 13(4) of the aforesaid Act, they may initiate fresh recovery proceeding under any other applicable law and seek the claim for first installment from the Trust.

- (2) The claim should be preferred by the lending institution in such manner as may be specified by the Trust in this behalf.
- (3) The Trust shall pay 75 per cent of the guaranteed amount on invocation claim by the lending institution, within 60 days of applying for the settlement of claim, subject to the claim being otherwise found in order and complete in all respects. The balance 25 per cent of the guaranteed amount will be paid on conclusion of recovery proceedings by the lending institution. On a claim being paid, the Trust shall be deemed have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned.
- (4) In the event of default the lending institution shall exercise its rights, if any, to take over the assets of the borrowers by taking permission of the Trust and the amount realised, if any, from the sale of such assets or otherwise shall first be credited in full by the lending institutions to the Trust before it claims the remaining 25 per cent of the guaranteed amount. If the Trust so desires, it can retain the asset by paying remaining 25 per cent of the guaranteed amount and may give it to the next eligible borrower or as the case may be.
- (5) The lending institution shall be liable to refund the claim released by the Trust together with penal interest at the rate of 5% above the prevailing Bank Rate, if such a recall is made by the Trust in the event of serious deficiencies having existed in the matter of appraisal/renewal/follow-up/conduct of the housing loan or where lodgment of the claim was more than once or where existed suppression of any material information on part of the lending institutions for the settlement of claims. The lending institution shall pay such penal interest, when demanded by the Trust, from the date of the initial release of the claim by the Trust to the date of refund of the claim.
- (6) The Guarantee Claim received directly from the branches or offices other than respective operating offices of lending institutions will not be entertained.

#### 13. Subrogation of rights and recoveries on account of claims paid

- (1) The lending institution shall furnish to the Trust, the details of its efforts for recovery, realisations

and such other information as may be demanded or required from time to time. The lending institution will hold lien on assets created out of the housing loan extended to the borrower, on its own behalf and on behalf of the Trust. The Trust shall not exercise any subrogation rights and that the responsibility of the recovery of dues including takeover of assets, sale of assets, etc., shall rest will the lending institution.

- (2) In the event of a borrower owing several distinct and separate debts to the lending institution and making payments towards any one or more of the same, whether the account towards which the payment is made is covered by the guarantee of the Trust or not, such payments shall, for the purpose of this clause, be deemed to have been appropriated by the lending institution to the debt covered by the guarantee and in respect of which a claim has been preferred and paid, irrespective of the manner of appropriation indicated by such borrower or the manner in which such payments are actually appropriated.
- (3) Every amount recovered and due to be paid to the Trust shall be paid without delay, and if any amount due to the Trust remains unpaid beyond a period of 30 days from the date on which it was first recovered, interest shall be payable to the Trust by the lending institution at the rate which is 4% above Bank Rate for the period for which payment remains outstanding after the expiry of the said period of 30 days.

#### CHAPTER IV

#### CORPUS OF THE FUND TRUST

#### 14. Corpus of the Fund Trust

- (1) The Trust will have an initial corpus fund of Rs. One Lakh contributed by the Settlor to be held by the Board of Trustees by way of a Trust for the operation of Credit Risk Guarantee Scheme for Low Income Housing.
- (2) Further contributions will be made to the initial corpus by the Settlor and State Governments who draw on it, in accordance with their slum population, i.e. Rupees one thousand crores in the aggregate by the settlor and rupees two hundred crores by State Governments.
- (3) The Settlor and the State Governments may make further contributions to the corpus fund of the Trust, in the proportion, as decided by the Ministry of Housing & Urban Poverty Alleviation, in consultation with the Ministry of Finance from time to time.
- (4) The additional contribution to the corpus may come from State Governments, guarantee fees, return on investments, etc.

- (5) Government of India shall meet the deficit, in the overall operation of the scheme by providing necessary budgetary grant to the Corpus.
- (6) The assets, together with all further donations and contributions, in any manner or form made to the said Corpus from time to time, and the rents, profits and income thereof and the stocks, funds and properties representing the same shall be held by the Board of Trustees upon Trust for the objects and purposes and subject to powers and provisions hereinafter set out.
- (7) All income arising out of the investments of the corpus fund shall be spent towards fulfilling the objectives of the Scheme, and the savings affected in any year shall be transferred to the corpus fund.

#### 15. Appropriation of amount received from the lending institutions

The amount received from the lending institutions shall be appropriated in the order in which the guarantee fee, penal interest and other charges have fallen due. If the guarantee fee and the penal interest have fallen due on the same date, then the appropriation shall be made first towards guarantee fee and then towards the penal interest and finally towards any other charges payable in respect of the eligible housing loan.

#### 16. Appropriation of amount realised by the lending institution in respect of a housing loan after the guarantee has been invoked.

Where subsequent to the Trust having released a sum to the lending institution towards the amount in default in accordance with the provisions contained in the Section 13 of this scheme, the lending institution recovers money subsequent to the recovery proceedings initiated by it, the same shall be deposited by the lending institution with the Trust, after adjusting towards the cost incurred by it for recovery of the amount. The Trust shall appropriate the same first towards any dues including the pending fees, penal interest, and other charges due to the Trust, if any, in respect of the housing loan towards which the amount has been recovered by the lending institution, and the balance, if any, shall be appropriated in such a manner so that losses on account of deficit in recovery of the housing loan between the Trust and the lending institution are in the proportion of 90% and 10%, respectively, in the case of housing loans upto Rs. 2 lakh and 85% and 15%, respectively, in the case of housing loans above Rs. 2 lakh and upto Rs. 5 lakh.

### CHAPTER V

#### CREDIT RISK GUARANTEE FUND TRUST

#### 17. Name and Registration of the Trust

To administer the Credit Risk Guarantee Fund Scheme, a Credit Risk Guarantee Fund Trust shall be set up

under the Indian Trust Act, 1882, and shall be administered by a Board of Trustees.

#### 18. Objectives

The objects and purposes of the Trust are :

- (1) To guarantee affordable housing loan upto Rs. 5 lakh sanctioned and disbursed by the lending institutions without any collateral security and/or third part guarantees to the new or existing borrowers in the EWS/LIG categories as may be decided by the settlor from time to time and to levy guarantee fee/ other charges on the lending institutions as may be decided by the Trust from time to time.
- (2) To undertake securitization of the guaranteed loans and to do all other acts or things as may be necessary therefore, either directly or otherwise, in such manner as may be decided by the Board of Trustees;
- (3) To appoint staff, to acquire, hold and dispose of property, to meet all expenses necessary for the proper and efficient management of the Trust, and to do all other acts or things as may be necessary or conducive to the attainment of the objectives;
- (4) To receive grants, donations, contributions from national and international donors/agencies.
- (5) To do such other acts and things as may be incidental to or consequential to the objectives hereinafter provided.

In consonance with the above objectives, the Trust shall implement the Credit Risk Guarantee Fund Scheme for Low Income Housing

#### 19. Board of Trustees

- (1) The Trust shall be managed and administered by a Board of Trustees consisting of the following members (hereinafter called as "The Board of Trustees"). The constitution of the Board of Trustees is as under:-
  - (a) Secretary (HUPA) shall be the ex-officio Chairperson of the Trust
  - (b) Joint Secretary (RAY) shall be the ex-officio Vice-Chairperson
  - (c) Joint Secretary, Department of Financial Services - Member
  - (d) Joint Secretary, Department of Expenditure - Member
  - (e) CMD, Housing & Urban Development Corporation - Member
  - (f) CMD, National Housing Bank - Member
  - (g) CMD, Small Industry Development Bank of India - Member

- (h) Chairperson, Indian Banks' Association - Member
- (i) An expert in housing finance/banking - to be nominated by the Ministry of HUPA, Central Government.
- (j) The Chief Executive Officer of the Trust shall be the Member Secretary

- (2) A Trustee appointed as above in his/her ex-officio capacity shall remain as a Trustee only as long as he/she holds that office and upon his/her vacating that office, his/her successor shall become a Trustee without any further act or deed.
- (3) The Settlor may, if required, change the constitution of the Board of Trustees by incorporating a new corporate entity or otherwise and till such time the existing members of the Board of Trustees, as stated under clause (1) above may be considered as the members of the Board of Directors of such entity.
- (4) The Trustee of the Fund shall be resident of India. The office of the Trustee shall be vacated if he shall permanently leave India or if for reasons of illness of infirmity or mental incapacity he, in the opinion of the Government, becomes incompetent or incapable to act, as Trustee.
- (5) A trustee may retire at any time after giving seven days' notice in writing to the Government and unless he is the Chairperson of the Board of Trustees, a copy of the notice shall also be sent to Chairperson.

#### 20. Meeting of the Board of Trustees

- (1) The meeting of the Board of Trustees shall be called by the Chief Executive Officer upon the instructions of the Chairperson.
- (2) A notice of the meeting of the Trustees shall be given to each Trustee.
- (3) The Board of Trustees shall meet as often as necessary as and not less than once in six months.
- (4) Vacancies in the Board of Trustees shall not invalidate any of the proceedings of the Board of Trustees.
- (5) The quorum for the meeting of the Board of Trustees shall be three or one-third of its total strength, whichever is higher.
- (6) The meetings of the Board of Trustees shall be chaired by the Chairperson or in his absence the Vice-Chairperson.
- (7) Decisions at the meeting of the Board of Trustees shall be taken by a vote of the majority of the Trustees present and voting. In the case of equality of votes, the Chairperson of the meeting shall have a second or casting vote.

- (8) The Chairperson may invite experts or specialists, as he may deem necessary or expedient, as special to the meeting of the Board of Trustees without having voting rights.

#### 21. Functions of the Board of Trustees

- (1) The Board of Trustees shall manage and administer the affairs of the Trust and shall have overall supervision and superintendence of the Trust and all matters incidental thereto.
- (2) The Board of Trustees shall strive to fulfill the objectives of the Trust and carry out the implementation of the scheme.
- (3) The Board of Trustees shall have the power and discretion to accept, upon such terms as it may deem fit, any donations or contributions (whether such donation or contribution be in cash or other movable or immovable property), from any person or persons, agencies, institutions, body corporate, etc, situated in India and/or abroad, provided always that the terms upon which such donations or contributions shall be accepted shall not, in any way be inconsistent with or repugnant to the objectives of this Trust and that no other name shall be associated with the name of the Trust.
- (4) To achieve the objectives, the Board of Trustees shall have the power and discretion to acquire, hold and dispose of properties whether movable or immovable and to contract, subject to norms of financial prudence and transparency.
- (5) The Board of Trustees shall, subject to the provisions hereinabove, from and out of the income realized from the properties, assets and funds of the Trust, and from other such endowments, and from the government Grants, and from any other sources which they may get, expend such sum of sums of money as they may deem proper towards the maintenance of the properties of the Trust, pay all rents and taxes, pay such sums towards the repayment of any borrowing by the trustees as stated at Section 34 and meet all expenses which the trustees may in their discretion think necessary for the proper and efficient management of the Trust, and the particular pay the salaries and allowances of all staff and servants, purchase books, equipment and furniture, pay management contributions for the Provident Fund of the staff, Gratuity, Pension etc.
- (6) The Board of Trustees may authorize Chief Executive Officer or any other official of the Trust to open and operate any account on behalf of the Trust, to execute any contract, to endorse and transfer promissory notes, stock, share certificates, securities and documents of title to goods standing in the name of or held in the name of or held by the Trust and to draw, accept and endorse bills or

exchange and other instructions and to sign all other accounts, receipts, documents or papers.

- (7) The Board of Trustees may constitute such Advisory Committees consisting partly of members of the Board of Trustees and partly of other persons including persons representing Government Institutions, Commercial Banks, Housing Finance Companies for such purposes as it may think fit. The non-official members of the Advisory Committees so constituted shall be paid such fees and allowances as may be determined by the Board of Trustees for attending the meetings of such Committees.
- (8) The Trust will have the powers to lay down policy guidelines, with the prior approval of the Ministry of HUPA and take decisions for its smooth functioning. It will have the power to change the guarantee fee, if necessary, with the prior approval of the Ministry of Housing & Urban Poverty Alleviation, Government of India.

#### 22. Functions of the Chief Executive Officer of the Trust

- (1) The Chief Executive Officer shall carry out the functions of the Trust and manage the day to day affairs of the Trust in accordance with the powers delegated by the Board of Trustees, from time to time, keeping in view the objectives of the Trust.
- (2) The Trust may sue or be sued through its Chief Executive Officer who shall sign affidavits, documents, plaints, written statements, vakalatnama and such other documents or papers as may be necessary on behalf of the Trust.

#### 23. Staff

The Trust shall be managed by National Housing Bank and legal assistance, if any, will be obtained from Housing and Urban Development Corporation Limited.

#### 24. Allowances to Trustees as Office Bearers

If at any time any Trustee acts as a whole time office bearer of the Trust, the Board of Trustees may in its discretion pay such remuneration or allowances to such trustee as it may think proper.

#### 25. Audit

- (1) The accounts of the Trust shall be audited every year by the Chartered Accountant or a firm of Chartered Accountants who will be appointed by the Board of Trustees on the recommendations of Comptroller and Auditor General of India. The remuneration and tenure of such auditor shall be determined by the Board of Trustees.
- (2) The audited accounts of the Trust shall be adopted at a meeting of the Board of Trustees called for the purposes and a copy thereof together with auditor's

report shall be furnished to each Settlor separately within a period of one month of such adoption.

#### 26. Indemnity

- (1) Every member of the Board of Trustee shall be indemnified by the Trust against all losses and expenses incurred by him/her in relation to the discharge of his/her duties except such as are caused by his/her own deliberate or willful acts of omission or commission.
- (2) No Trustee shall be liable for any breach of trust committed by the co-trustee except in respect of his/her own act and in respect of any property in his/her custody.

#### 27. Powers of the Settlor

- (1) The Ministry of Housing and Poverty Alleviation, Govt. of India would be the settlor of the Trust. It would promote and incorporate the Trust. It shall reserve the authority to appoint and remove the trustees; and shall have powers to issue policy directions from time to time.
- (2) The Chief Executive Officer of the Trust shall be appointed by the National Housing Bank with the approval of the Ministry of HUPA.
- (3) Subject to provision of Clause 30 hereof, the Trust is irrevocable. Subject as aforesaid, the terms of this declaration may be altered or modified by the Settlor.

Provided, however, that no amendment contrary to the objectives of the Trust hereinbefore set forth shall be valid and effective.

- (4) Subject to the clause (2) above,
  - (a) The Settlor, may at any time or times hereafter by any deed or deeds revocable or irrevocable or conduct expressly referring to this power or the property subject thereto, appoint such new or other trustees and concerning the Trust fund as they way think fit.
  - (b) The Settlor may from time to time alter the provisions of this declaration including constitution of the Board of Trustees, their powers and rules and regulations with regard to the conduct of the business and all matters in respect of which provisions are made in this declaration, as they may deem proper.

#### 28. Inspections

The Trust shall, insofar as it may be necessary for the purposes of the Scheme, have the right to inspect or call for copies of the books of account and other records (including any book of instructions or manual or circulars covering general instructions regarding conduct of advances) of the lending institution, and of any borrower

from the lending institution. Such inspection may be carried out either through the officers of the Trust or any other person/Institution appointed by the Trust for the purpose of inspection. Every officer or other employee of the lending institution or the borrower, who is in a position to do so, shall make available to the officers of the Trust or the person appointed for the inspection as the case may be, the books of account and other records and information which are in his possession.

#### 29. Extinction of the Trust

If the objectives for which the Trust has been created shall fail and cannot be fulfilled by the Board of Trustees, the trust shall cease to exist. On extinction of the Trust, the Trust Fund on first charge to the settlor (MoHUPA) and/or the rest of the Trust fund after settling dues, will return to the Consolidated Fund of India.

#### 30. Implementation and Operational Cost

- (1) All the initial setting up costs including administrative, infrastructure and computerization shall be provided by Ministry of HUPA, Govt. of India or as per the arrangements agreed with any other Organisation.
- (2) The entire operational cost of the scheme will be met out of the income of the Trust including guarantee fees to be charged by the Trust from the lending institutions.

#### 31. Trust's liability to be terminated in certain cases

- (1) If the liabilities of a borrower to the lending institution on account of any eligible housing loan guaranteed under this Scheme are transferred or assigned to any other borrower and if the conditions as to the eligibility of the borrower and the amount of the facility and any other terms and conditions, if any, subject to which the housing loan can be guaranteed under the Scheme are not satisfied after the said transfer or assignment, the guarantee in respect of the housing loan shall be deemed to be terminated as from the date of the said transfer or assignment.
- (2) If a borrower becomes ineligible for being granted any housing loans under the Scheme, by any reason, the liability of the Trust in respect of any housing loans granted to him by a lending institution under the Scheme shall be limited to the liability of the borrower to the lending institution as on the date on which the borrower becomes so ineligible, subject, however, to the limits on the liability of the Trust fixed under this Scheme. However, notwithstanding the death of one of the joint borrowers, if the lending institution is entitled to continue the housing loans to the surviving partner or partners or the surviving borrower or

borrowers, as the case may be and if the housing loans have not already become non performing asset, the guarantee in respect of such housing loans shall not to be deemed to be terminated as provided in this paragraph.

#### 32. Investment

The Trust may invest in such of the securities/instruments of investment or lend in the call money or other money markets the amounts available in the corpus fund or any other fund or account which are not for the time being required for the carrying out the objectives of the Trust in such manner as may be approved by the Board of Trustees acting on the principles of financial prudence.

#### 33. Borrowings

The Board of Trustees shall have powers to borrow funds from India and/or Abroad from such organisation(s) or person(s), as may be necessary, for carrying out the objectives of the Trust or implementation of the scheme as also powers to give the assets of the Trust as securities or to give guarantee, as may be necessary for such borrowing provide that all such borrowings shall be made after the prior approval of Government in the Ministry of HUPA.

### CHAPTER VI

#### MISCELLANEOUS

#### 34. Jurisdiction of the Courts

The Competent Court in Delhi shall have exclusive jurisdiction to decide any question regarding the interpretation and construction of this declaration or administration of the Trust and the related matters.

#### 35. Interpretation

If any question arises in regard to the interpretation of any of the provisions of the Scheme or of any directions or instructions or clarifications given in connection therewith, the decision of the Ministry of Housing and Poverty Alleviation shall be final.

#### 36. Supplementary and general provisions

In respect of any matter not specifically provided for in this Scheme, the Trust may make such supplementary or additional provisions or issue such instructions or clarifications as may be necessary for the purpose of the Scheme.

37. Any amount of secondary transaction covered under the Scheme shall be done by the NHB or any other designated entity as decided by the Trust ensuring availability of adequate primary securities for such issue/issues.

SUSHEEL KUMAR  
Jt. Secy.

