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Government of Kerala
കേരള സർക്കാർ
2013



Regn. No. KERBIL/2012/45073
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KL/TV(N)/634/2012-14

KERALA GAZETTE

കേരള ഗസറ്റ്
EXTRAORDINARY
അസാധാരണം

PUBLISHED BY AUTHORITY

അധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്

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GOVERNMENT OF KERALA

Parliamentary Affairs (A) Department

NOTIFICATION

G. O. (Ms.) No. 3/2013/PAD. Dated, Thiruvananthapuram, 28th February, 2013.

S. R. O. No. 158/2013.—In exercise of the powers conferred by section 10 of the Payment of Salaries and Allowances Act, 1951 (XIV of 1951), read with section 8 B thereof, the Government of Kerala hereby make the following rules, namely:—

RULES

1. Short title and commencement.—(1) These rules may be called the Members of the Kerala Legislative Assembly (House Building Advance) Rules, 2013.

(2) They shall come into force at once.

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2. *Definitions.*—(1) In these rules, unless the context otherwise requires,—

(a) “Act” means the Payment of Salaries and Allowances Act, 1951 (Act XIV of 1951);

(b) “Assembly” means the Kerala Legislative Assembly.

(c) “borrower” means a Member who has been sanctioned with an advance under the Act;

(d) “Form” means form appended to these rules;

(e) “house building advance” means an advance sanctioned to a Member for the purposes specified under sub-rule (1) of rule 6;

(f) “member” means a Member of the Kerala Legislative Assembly other than the Speaker, the Deputy Speaker, the Leader of Opposition, the Chief Whip and the Ministers.

(g) “sanctioning authority” means the Secretary of the Kerala Legislative Assembly;

(h) “Secretariat” means the Secretariat of the Kerala Legislative Assembly;

(i) “Secretary” means the Secretary of the Kerala Legislative Assembly;

(2) Words and expressions used but not defined in these rules, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. *Advance when admissible.*—A member may, subject to the terms and conditions specified in these rules be sanctioned, with an advance for the purposes specified under sub-rule (1) of rule 6.

4. *Maximum amount of advance admissible.*—The maximum amount of advance admissible under these rules, shall not exceed rupees ten lakhs or the amount applied for, whichever is less.

5. *Application for advance.*—A member who desires to obtain an advance shall make an application to the sanctioning authority in Form I with relevant documents listed under sub-rule (1) of rule 15.

6. *Conditions under which advance is sanctioned.*—(1) An advance may be sanctioned for any of the following purposes, namely:—

(a) construction of a house for personal residence;

(b) purchase of a site and for the construction of a house thereon for personal residence;

(c) purchase of site with house or purchase of flat or apartment for personal residence;

(d) purchase of site with house for personal residence and repairs thereto;

(e) repairs to own house to make it habitable;

(f) completion of construction of a house already taken up or to extend a house to make it sufficiently accommodative.

(2) Advances for the purposes mentioned in items (a) to (d) under sub-rule (1) shall not be sanctioned to a member who owns a house any where in the country either in his/her name or in the name of his/her spouse or their minor children:

Provided that the Speaker may, by order, relax this condition in exceptional cases, where he is satisfied that the house proposed to be built is required for the bona fide residence of the member and that it will be impossible for the member to reside in his existing house for reasons other than of its having already been let out on rent, or being situated at a place other than the place of service of the member.

(3) No advance under these rules shall be sanctioned to a member whose remaining tenure is less than one year on the date of sanctioning.

(4) Advance under more than one housing scheme shall not be sanctioned to a member.

(5) Advance may be made either in lump sum or in instalments as considered desirable by the sanctioning authority.

(6) Advance shall be for bona fide requirements for the purchase of or building suitable house for the personal residence of a member concerned and if more is advanced under these rules, than what is actually expended for the purpose, the surplus shall be refunded to Government.

(7) In case of advances for the purchase of site with house as admissible under item (d) of sub-rule (1), an amount not exceeding twenty five per cent of the value of the site with house may also be granted for repairs at the time of purchase subject to the condition that the overall loan amount does not exceed

the maximum amount for which the member is eligible at the time of application. The application in such cases shall be accompanied by an estimate of repairs duly certified by the Assistant Engineer (Building and Roads), of the Public Works Department having jurisdiction over the area in which the site is situated.

(8) In the case of advances for the purchase of site with house for personal residence and repairs thereto, the advance will be disbursed in two instalments, the first instalment being equal to the value of the house and site and the second being the balance amount which will be disbursed only after the property is mortgaged to Government.

7. *Repayment of Advance.*—(1) The repayment of advance by the borrower will be determined by the sanctioning authority in the manner specified under these rules and will be indicated in the order of sanctioning the loan subject to the condition that the repayment schedule of loan shall be fixed in such a way that number of instalments have to be regulated in accordance with the remaining term of tenure in each case and the principal plus interest is recovered in full during the tenure of the members.

(2) The repayment of advance shall be by way of deduction from the monthly allowances admissible to a member as provided under section 9B of the Act, which will commence from the first issue of drawal of monthly allowance after disbursement of the advance.

(3) The whole amount of principal shall be recovered in not more than 52 monthly instalments and such instalments shall be fixed as not to contain fraction of a rupee. Fraction of a rupee occurring in the calculation, if any, will be included in the last instalment.

(4) The advances may be recovered at the rate specified in sub-rule (3) or at a higher rate if the member receiving the advance so desires in writing.

(5) In case the borrower ceases to be a member before the advance and interest thereon are fully repaid, the outstanding balance together with the interest thereon shall continue to be recovered at the rate either from the pension/family pension and also from pensionary benefits which has become due to the borrower unless he voluntarily makes the payment of the remaining instalments in lump sum or otherwise. Besides a penalty of 1% of the outstanding amount will be imposed as penalty in case of default of repayment.

(6) In case there is any deficiency or shortfall in recovering the amount of the advance the borrower shall be required to make payment through his own sources.

(7) In case where the borrower does not comply with the conditions of the repayment the provisions of the mortgage deed shall be invoked immediately.

8. *Rate of interest and its payment.*—(1) The advance sanctioned under these rules shall be levied simple interest at the rate of four per cent per annum.

(2) Interest and penalty shall be recovered in not more than 8 monthly instalments, each instalment not being lesser than the instalments by which the principal was recovered.

(3) The recovery of interest shall commence from the month following the month from which the last instalment towards repayment of principal is due.

(4) If for any reasons interest due cannot be worked out finally as under sub-rule (2) recovery of interest shall be made provisionally at the rate fixed for the recovery of the principal.

9. *Security against loss.*—(1) In order to secure Government from loss consequent on a member dying or resigning or otherwise ineligible to continue as such member before complete repayment of the advance, the borrower shall mortgage the plot on which the house is proposed to be constructed as also all structures to be constructed thereon or the house where in major repairs are to be carried, as the case may be, to the Government in Form II and get the mortgage deed registered with the registering authority concerned.

(2) The mortgage will be released on repayment of the full amount of advance together with interest thereon.

(3) The borrower shall also produce an encumbrance certificate for 12 years in respect of the landed property furnished as security.

(4) The borrower shall satisfy the sanctioning authority regarding his/her title to the land upon which the house is built or is proposed to be built and in the case of purchase of house or house site, the proposed vendor must have got clear title to the property which has been agreed to be sold to the applicant by the vendor.

(5) In case where the title to the land upon which the house is built or proposed to be built is in the name of borrower's spouse, or if it is a joint title with the spouse, the consent of the spouse shall also be furnished to the sanctioning authority by the applicant.

(6) The applicant shall declare that the amount will be expended only for the purpose for which it is applied for and pledged himself that surplus funds if any will at once be refunded to Government.

(7) The borrower shall also submit to the sanctioning authority a Personal Bond in Form III in respect for the said advance.

10. *Drawal of Advance.*—(1) The bill for the drawal of advance shall be signed by the member concerned and countersigned by the sanctioning authority with a copy of the order sanctioning the advance attached thereto.

(2) The grant of advances shall always be subject to budget provision. If an advance which has been sanctioned has not been drawn before the close of the financial year in which it is sanctioned, the applicant will have to get the sanction renewed in the following year if he/she still wants the loan.

11. *Utilization of the advance.*—(1) The loan amount shall be utilised for the purpose for which it is granted within a reasonable time not exceeding one year from the date of full disbursement of the loan.

(2) In case the borrower commits breach of any of the conditions under which an advance is sanctioned, the entire amount of advance together with interest thereon shall become payable in a lump and shall be recoverable under the provisions of the Kerala Revenue Recovery Act, 1968 (Act 15 of 1968).

(3) Penal interest at three per cent per annum over and above the normal rate of interest shall be recovered from the borrower misutilising the advance, from the date of its drawal till the date of recovery of the entire principal and interest.

12. *Remission of stamp duty.*—In the case of mortgage deeds executed by a member towards security for the construction of the house of any of the different kinds sanctioned to him/her, the stamp duty chargeable will be entirely remitted. Such transmission of stamp duty will be available even when the mortgage deeds for the purpose are executed by the members jointly with others.

13. *Account of recovery.*—An account of recovery of the advance in appropriate format shall be maintained by the Accountant General, Kerala.

14. *Safe custody and cancellation of mortgage deed.*—The mortgage deed shall be kept in safe custody of the sanctioning authority. When the advance and the interest due thereon have been fully repaid, the mortgage deed shall be returned to the borrower duly cancelled after obtaining a certificate from the Accountant General, Kerala as to the complete repayment of the principal and interest.

15. *Document to be attached and processing of the application for advance.*—(1) The applicant member shall furnish the following appropriate documents along with duly filled in signed application for advance:—

- (i) Location Certificates from the Village Officer concerned;
- (ii) Possession Certificate from the Tahsildar having jurisdiction over the area;
- (iii) Title Certificate from the District Government Pleader/Additional Government Pleader;
- (iv) Encumbrance Certificate in respect of 12 years from the Sub-Registrar having jurisdiction over the area;
- (v) The original deed;
- (vi) Plan and Estimates of the proposed building approved by the Executive Engineer, Public Works Department, Building Division, having jurisdiction over the area;
- (vii) Consent from the spouse [if required as under sub-rule (5) of rule 9];

(2) The application should be verified at the time of its receipt so as to ensure that it is complete and bona fide in all respects.

(3) Incomplete applications should be returned to the member immediately for rectification.

(4) The date of receipt of application shall be the date on which an application complete in all respects with all required documents is received in the Secretariat.

16. *Removal of doubts.*—Where any doubts arises as to the interpretation of any of the provision of these Rules, the matter shall be referred to the Speaker whose decision thereon shall be final.

APPENDIX

FORM I

(See Rule 5)

Application for Advance to Member of the Kerala Legislative Assembly for building, completing, extending, purchasing or repairing a house or for purchasing a house-site and constructing a house thereon.

1. Name of the applicant :
2. (a) Name of Constituency :
- (b) Total years completed as MLA with period and name of constituency :
3. Date of Birth :
4. (a) Present Address :
- (b) Permanent Address :
5. (a) Amount of advance as requested (in words as well as in figures) :
- (b) Rate of repayment of the advance proposed :
- (c) No. of instalments of the repayment proposed :
6. Name of Treasury from which payment is desired :
7. (a) Purpose of the advance (In the case of purchase of a house with site/house-site, the name and address of the person from whom the property is proposed to be purchased also should be specified) :
- (b) Survey number of the land and extent :
- (c) Village, Taluk and District in which the land is situated :

8. (a) Approximate value of the house, :
house with site/house site proposed
to be purchased
- (b) Estimated cost of construction, :
completion, extension or repair of
the house
9. If it had already been purchased, :
completed, extended or repaired, the date
on which it was effected.
10. If any advance (s) had been drawn :
previously by the applicant
 - (a) the number (s) and date (s) of
the Government Orders sanctioning
it to them; and
 - (b) (1) Whether it/they is/are in the :
course of repayment, and if so,
 - (i) the amount already repaid, :
 - (ii) the balance due, :
 - (iii) the number of the instalment :
last repaid, and
 - (iv) the rate of the repayment :
effected; or
 - (2) Whether it/they was/were finally :
adjusted, if so; the date (s) on which
the final adjustment (s) was/were
effected
11. Details of the security proposed to be :
furnished
12. Details of the personal bond proposed :
to be furnished, if any
13. Title of the applicant to the land upon :
which the house which is proposed to
be/is built, completed, extended or
repaired stands

14. Whether the Certificate as required in :
 the rules, from the Executive Engineer/
 Assistant Engineer of the PWD (B&R)
 having jurisdiction over the area in
 which the house is situated, is attached
 (Give name and designation of the Officer)
15. (a) Whether Title Certificate from the :
 Government Pleader, is attached
- (b) Whether Possession Certificate from :
 the Tahsildar having jurisdiction over
 the area, is attached
- (c) Whether Encumbrance Certificate in :
 respect of the land for twelve years,
 from the Sub Registrar is attached
- (d) Whether Location Certificate from :
 the Village Officer concerned and the
 plan of the proposed building, are
 attached (to be retained by the
 Sanctioning Authority)
16. If the applicant had already drawn or :
 applied for any loan/advance under
 any other Housing Scheme sponsored
 by the State/Central Government
- (a) the amount of the loan/advance :
 already drawn/applied for,
- (b) the scheme under which loan/
 advance drawn/applied for, and
- (c) the number and the date of the :
 sanction issued by the Government
 or the date of the application for the
 loan/advance

DECLARATIONS

1. I hereby bind myself to use the advance for the purpose. I have applied for and in strict compliance with the rules in this respect laid down in the Members of the Kerala Legislative Assembly (House Building Advance) Rules, 2013 and orders issued by the Kerala Legislature Secretariat from time to time.
2. I do hereby declare that surplus of the advance, if any, will be refunded to Government immediately after the work/transaction is over.
3. I hereby declare that I do not already own a house anywhere in the country either in my name or in the name of my wife/husband/minor children.
4. I solemnly declare that the information furnished against the various items indicated above are true to the best of my knowledge and belief.

Station:

Date:

Signature of the Applicant.

FORM II

(See Rule 9)

Mortgage Deed Form

THIS DEED OF MORTGAGE is executed on this the..... day oftwo thousand and.....by Shri/ Smt(here enter name and address of the Member hereinafter called "the Mortgagor" in favour of the Governor of Kerala (hereinafter called "the Mortgagee").

WHEREAS, the Mortgagor has applied to the Mortgagee for a loan of ₹ (Rupees.....only) for the construction of a house on the land/for the purchase of the land and the house/ the purchase of the land and construction of a house on the land/the repairing of the house on the land/more particularly mentioned and described in the Schedule hereunder written subject to the terms and conditions contained in the Members of the Kerala Legislative Assembly (House Building Advance) Rules, 2013 (hereinafter referred to as "the said Rules" which expression shall where the context so admits or implies include any amendment thereof or addition thereto for the time being in force);

AND WHEREAS, the Mortgagee has granted the loan as per Order No..... dated(hereinafter referred to as "the said order") to the Mortgagor subject to the terms and conditions herein contained and also those contained in the Rules and in the said Order ;

NOW THIS DEED WITNESSETH AS FOLLOWS: —

1. In consideration of the loan of ₹(Rupeesonly) advanced to the Mortgagor by the Mortgagee (the receipt of which the Mortgagor both hereby transfer by way of simple mortgage to the Mortgagee all the property (and building) described in the Schedule hereunder written (together with the building to be constructed thereon) and other improvements made thereon from time to time the Intent that

the said property and building and the other improvements shall remain and be charged as security for the payment to the Mortgagee of the said loan amount, interests and costs and the Mortgagee shall have first charge over the same.

2. The terms and conditions contained in the said Rules and the said order shall form part of this Deed as if incorporated herein and all the terms and conditions contained in the said Rules and in the said order shall be binding on the Mortgagor and the Mortgagor shall fully abide by them.

3. The loan amount shall not be utilised for any purpose other than that for which it is sanctioned.

4. The loan amount together with interest as stipulated shall be repaid in the manner provided in the said Rules and in the said Order.

5. In case the Mortgagor shall at any time make default in the payment of any of the said instalments on the due date or commits breach of all or any of the terms and conditions contained herein or in the said Rules or in the said order the balance of the principal/sum which shall for the time being remain unpaid, together with interest accrued thereon and all sums found due to the Mortgagee under or by virtue of these presents shall forthwith become payable in a lump at once and in case of default in payment of the whole sum immediately the Mortgagee shall have power without the intervention of any Court to take possession of the Mortgaged properties and sell or agree with any other person in selling the same or any part thereof either by public auction or by private contract subject to such conditions concerning title or evidence of title or other matters as the Mortgagee thinks fit with power to vary any contract for sale or to buy in at any auction or to rescind any contract for sale and to resell without being liable for any loss occasioned thereby and to realise the amount due to the Mortgagee from such sale proceeds after defraying the necessary expenses and the Mortgagee shall also have all the powers vested in the Mortgagee under Section 69 and 69A of the Indian Transfer of Property Act, 1882.

6. Without prejudice to any or all of the other rights and remedies of the Mortgagee all sums found due to the Mortgagee under or by virtue of These presents shall be recoverable from the Mortgagor and his/her properties movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though they are arrears of land revenue or in any other manner as the Mortgagee may deem fit.

Schedule above referred to

(H. E. details)

In witness whereof Shri/Smt. the Mortgagor has here unto set his/her hand the day and year first above written.

Signed by Shri/Smt

In the presence of Witnesses:—

1

2

FORM III

[See Rule 9 (7)]

Personal Bond

THIS DEED is made on the.....day ofTwo
 Thousand and between.....son/
 daughter of.....and resident of
 (hereinafter referred to as the "borrower" which expression shall include his/her
 legal representatives and assignees) of the one part and the Governor of Kerala
 (hereinafter referred to as "the Government" which expression shall include his
 successors and assignees) of the other part.

WHEREAS, an advance of ₹(Rupees.....
 only) has been sanctioned to Shri/Smt.....son of
and.....resident of
(borrower) for construction of
 (House or Flat)/for purchasing a built house or flat/for major repairs, on the
 terms and conditions contained in the Members of the Kerala Legislative
 Assembly (House Building Advance) Rules, 2013 (hereinafter referred to as the
 "said Rules") for performance and observance by him of the conditions of the
 said Rules.

NOW THIS DEED WITNESSES and the parties hereto hereby agree that in
 pursuance of the said Rules and in consideration of the sum of ₹.....
 (Rupeesonly) advanced by
 the Government, as loan, borrower hereby agrees that he/she shall duly
 faithfully and punctually perform all the conditions set out in the Rules, and that
 in the event of the failure of the borrower to perform any of the said conditions
 and of the borrowers dying or becoming insolvent or for any cause whatsoever
 before the entire amount due to the Government on account of the principal and
 interest under the said agreement is paid off the Government shall be at liberty
 to recover the entire amount due to the Government by sale or otherwise as
 considered appropriate of the property mortgaged.

IN WITNESS WHEREOF the parties have signed this bond on dates respectively mentioned against their signatures in the.....years of the Republic of India.

Witnesses:

1.
2.

Signature of the Borrower.

Accepted

Signed for and on behalf of the Governor of Kerala.

By order of the Governor,

P. K. MOHANTY,

Additional Chief Secretary to Government.

Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

As per the Payment of Salaries and Allowances (Second Amendment) Act, 2012 (Act 4 of 2012), a new section 8B has been inserted after section 8A of the Payment of Salaries and Allowances Act, 1951 (XIV of 1951) by which every Member of the Legislative Assembly, other than the Speaker, the Deputy Speaker, the Leader of Opposition, the Chief Whip and the Ministers, shall be entitled to avail house building advance up to rupees ten lakh at a reduced rate of interest. For carrying out the provisions of the Act, Government have decided to frame the Members of the Kerala Legislative Assembly (House Building Advance) Rules, 2013.

The notification is intended to achieve the above object.
