

National Scheduled Castes Finance and Development Corporation, Delhi.

GENERAL PURPOSE ADVANCE SCHEME

(LAST AMENDED AS ON 3RD MAY, 2017)

A. OBJECTIVE

The objective of granting the General Purpose Advance is to extend financial assistance to employees in the form of interest bearing loan to enable employees to purchase household goods, equipments, furniture, electronic items, personal computer/laptop etc. and to meet short-term financial needs for any purposes.

With the introduction of the provision to grant General Purpose Advance, the existing scheme for granting Computer Advance under the NSFDC Order shall be discontinued.

B. ELIGIBILITY

- i) Regular employees of NSFDC, who have completed a minimum three year of service, shall be eligible to draw the General Purpose Advance.
- ii) The following categories of employees shall not be eligible to draw the General Purpose Advance from NSFDC under the provision of this scheme:-
 - (a) Persons working on Fixed Term basis, Contract basis and on Deputation
 - (b) Consultants and Advisors, daily rated and casual employees.
- iii) Where both, husband and wife are employees of the Corporation, only one of them shall be eligible to draw the advance.
- iv) Employees under suspension shall not be eligible to draw General Purpose Advance.

C. CONDITIONS OF ELIGIBILITY

- i) An eligible NSFDC employee may be granted the General Purpose Advance provided that the Competent Authority is satisfied that the employee has the capacity to repay the advance i.e. the total monthly deductions including the General Purpose Advance installment, should not be more than 60% of his/her gross emoluments.
- ii) A general purpose Advance shall not be sanctioned unless the outstanding balance in respect of a General Purpose advance previously granted together with interest thereof, has been fully repaid.

- iii) ~~The General Purpose Advance shall not be granted for more than two occasions in the entire service of an employee in NSFDC.~~
[**Deleted** vide Office Order No. NSFDC/Pers./GPAS/2012 dated 3rd May, 2017, 145th Board Meeting held on 17.4.2017]
- iv) The employee drawing the advance shall furnish a utilization certificate within one month of the drawal of the advance.

D. AMOUNT OF ADVANCE

- i) ~~The amount of General Purpose Advance which may be granted to NSFDC employee, per occasion, shall not exceed Rs. 3.00 lakh (Rupees three lakh only) or 10 months basic pay, plus DA plus Non practicing allowance (wherever applicable) whichever is lower.~~

The amount of General Purpose Advance which may be granted to NSFDC employee, per occasion, shall not exceed Rs. 5.00 lakh (Rupees five lakh only) or 15 months' basic pay, plus DA, whichever is lower.
[Amended vide Office Order No. NSFDC/Pers./GPAS/2012 dated 3rd May, 2017, 145th Board Meeting held on 17.4.2017]

- ii) ~~The second advance will be admissible only after five years, reckoned from the date of drawal of first advance, have elapsed.~~

The subsequent General Purpose Advance will be admissible only after complete repayment of the entire amount of advance previously drawn (if any) together with interest thereof. [In 145th Board Meeting held on 17.4.2017 the clause amended as below vide Office Order No. NSFDC/Pers./GPAS/2012 dated 3rd May, 2017]

- iii) ~~The second advance shall be admissible only after complete repayment of the entire amount of advance drawn on the first occasion together with interest thereof.~~

Deleted [**Deleted** vide Office Order No. NSFDC/Pers./GPAS/2012 dated 3rd May, 2017, 145th Board Meeting held on 17.4.2017]

E. INTEREST

- i) ~~The interest for the General Purpose Advance sanctioned to the provision of this loan shall be simple interest at 0.5% above the rate of interest applicable for the Provident Fund deposits under the NSFDC (EPF) Schemes as applicable from time to time.~~

The interest for the General Purpose Advance sanctioned to the employees of the corporation under this scheme of the corporation under this scheme shall be simple interest chargeable at the rate of 9.2% p.a. The rate of interest may be reviewed after every three years.

[Amended vide Office Order No. NSFDC/Pers./GPAS/2012 dated 29th December, 2014, 135th Board Meeting held on 4.12.2014]

- ii) The interest shall be calculated on the balance outstanding on the last day of each month.
- iii) Where part of the advance sanctioned to an employee or interest on the amount of advance is to be wiped off by adjustment from Gratuity, no interest shall be recovered on the principal amount of outstanding advance beyond the date of retirement.
- iv) In case an employee dies while in service and a portion of the outstanding balance of the advance is to set off against Gratuity admissible to his/her successor, no interest shall be charged on the amount of advance thus adjusted against the Gratuity beyond the date of death of the employee.
- v) In other cases, the interest is to be calculated and recovered till the date of adjustment of balance.
- vi) The Rate of Interest prevailing on the date of issue of sanction for the loan/ advance shall be applicable and shall remain unchanged during the entire term of the loan/advance.

F. RECOVERY OF ADVANCE

- i) The General Purpose advance sanctioned together with interest shall be recovered in such number of equal monthly installments as the employee may elect, not exceeding 60. The employee may at this option, repay more than one installment in a month or opt for a lesser repayment period.
- ii) The recovery of the amount of advance shall commence with the first issue of pay/leave salary or subsistence allowance as the case may be, after the advance is drawn. Suspension of recovery for any reason whatsoever shall not be permitted.
- iii) In cases where salary for a month is disbursed before end of a month, an installment in re-payment of advance received through the pay bill will be taken as having been refunded on the first of the following month, the normal date for disbursement of pay.
- iv) In cases where the recovery of installment is effected through pay/leave salary bills and the employee concerned is unable to present his claim for pay/leave salary in time for any administrative reasons, the deduction in respect of advance should be deemed to have been made in the month following the month to which pay/leave salary relates, irrespective of its actual date of drawal.

- G. With a view to completely secure the loan, NSFDC may introduce a scheme for insuring the loans, with the insurance cost being borne by the employees.

H. **SANCTIONING AUTHORITY**

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

I. **ISSUING SANCTION ORDERS, CUSTODY OF ORIGINAL DOCUMENTS, ETC.**

An officer not below the rank of Chief Manager (HRD), dealing with the subject, at any given time, shall be competent to issue sanction order for grant of General Purpose Advance, subject to approval of the competent authority being available. The Officer concerned shall ensure that all the relevant conditions applicable for grant of the advance in individual cases are incorporated in the sanction orders.

J. **INTERPRETATION/RESOLUTION DISPUTES/RELAXATION**

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