

इंडियन ऑयल कॉर्पोरेशन लिमिटेड

कॉर्पोरेट आफिस  
नई दिल्ली

INDIAN OIL CORPORATION LTD.

CORPORATE OFFICE  
NEW DELHI

अन्तर्विभागीय ज्ञापन

INTER OFFICE MEMO

From GM (HR) - CO - ND

संदर्भ/Our Ref. DP/318/64

Date November 8, 1995

प्रेष्य/To - ED(HR&S), Mktg.Divn., Bombay  
आपका संदर्भ/ED(HR), R&P Divn., New Delhi

तिथि/Date

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Modification to the HBA Rules.

The Management has approved modifications to the HBA Rules of the Corporation as detailed below:

**1. Eligibility Periods:**

The present rules provide for a minimum period of 5 years of continuous service, including the service put in in other PSU/Government Department in continuation of the service in IOC, as the eligibility period for an employee to avail of HBA.

In partial modification of the above provision, it has been decided that the service put in by an employee in other PSU/Government Department, even though not in continuation of the service in IOC, will be counted, provided the employee has put in a minimum of 3 years' of continuous service in IOC and that by age he is 35 years or more.

In respect of casual employees, who were earlier serving for IOC and have been subsequently regularised in the service of IOC, a similar relaxation in eligibility will apply, provided such employee has put in a minimum of 3 years' of continuous service in IOC and by age such an employee is of 35 years or more.

**HBA Entitlements:**

The present rules prescribe that the maximum entitlement of HBA for an employee will be Rs.4.00 lakhs plus 15% towards cost of stamp duty/registration expenses.

In partial modification of the above provision, it has been decided to increase the maximum HBA entitlement to Rs.5.00 lakhs. The additional HBA towards stamp duty/registration expenses will be at actuals, subject to a maximum ceiling of Rs.1.00 lakh.

The rate of interest for the portion of HBA upto Rs.3.00 lakhs will be @ 5.5% and for the HBA portion beyond Rs.3.00 lakhs, the rate of interest will be 08.0%. In

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addition, the existing provision for payment of an annual premium equivalent to 0.5% on the total outstanding HBA amount and interest thereon towards the Mortgage Redemption Scheme under the Group Insurance Scheme with LIC, will continue to operate.

3. Additional HBA:

Under the present rules, once HBA is granted to an employee, no additional HBA is admissible to such an employee.

In partial modification of the above provision, it has been decided to grant an additional HBA, subject to the following stipulations:

- a) Additional HBA will be admissible to an employee for purchase of a better/bigger house/flat, or for enlargement of the existing house/flat. In case of enlargement, the existing house/flat should have been purchased earlier with HBA assistance from the Corporation, and such enlargement should be for increasing the original carpet area and not for enclosing balconies or other alterations and modifications.
- b) Additional HBA will be admissible only after a period of 5 years from the date of sanction of the previous HBA.
- c) In case of acquisition of a new property, the quantum of additional HBA will be limited to the difference between the employee's current maximum HBA entitlement and the amount of HBA drawn earlier, plus the outstanding HBA refunded by the employee in lumpsum, or the cost of new property, whichever is lower.

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In case of enlargement of existing property, the quantum of additional HBA will be limited to the difference between the employee's current maximum HBA entitlement and the amount of HBA drawn earlier, or the cost of enlargement, whichever is lower.

Illustrations of the work-out of additional HBA are given at Annexure.

- d) In case of acquisition of a better/bigger house/flat, the employee will be required to sell the existing house/flat purchased with HBA assistance from the Corporation, after obtaining prior written permission from the Corporation, and by giving complete details of the new property proposed to be acquired. Similarly, in case of enlargement of existing house/flat, complete details of such enlargement will be submitted by the employee.
- e) The employee will be required to mortgage the new/enlarged property to the Corporation as per the requirement under the HBA rules.
- f) Coverage under the Mortgage Redemption Scheme (MRS) will cease to operate in respect of the old property from the date the outstanding loan and accrued interest is refunded to the Corporation. From the date of disbursement of additional loan, coverage under MRS will operate in respect of the new property.
- g) The additional HBA comprising of the refunded amount (i.e. the amount refunded on sale of previous property) plus increased loan entitlement admissible in the case of purchase of a new property, or the increased loan entitlement in case of enlargement of

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existing property, will be disbursed to the employee on his completing the necessary formalities required under the HBA rules.

h) Although the agreement for the additional HBA will be for the total amount disbursed to the employee, which includes the refunded amount comprising of Principal plus Interest, only the portion of principal amount included in the additional HBA will attract the applicable rate of interest under the HBA rules.

**4. Repayment of HBA draws from other sources:-**

The present rules provide that if an employee has already availed HBA facility from HDFC or other Govt. financial institutions for the purpose of acquiring a property, such employee will not be eligible for HBA for the purpose of repayment of the HBA draws from such financial institutions.

In partial modification of the above provision, it has been decided that an employee may be granted HBA for the purpose of repaying the outstanding loan draws from HDFC or other Govt. financial institutions, subject to completion of the required formalities and meeting the prescribed terms and conditions for grant of HBA by the Corporation.

**5. HBA disbursement schedule:-**

The present rules provide for disbursement of HBA for the purpose of purchase of land and construction of property therein as follows:-

- a) 25% for land purchase
- b) 30% on completion of mortgage
- c) 30% on reaching plinth level and
- d) 15% on completion of roof

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In partial modification of the above provision, it has been decided to modify the HBA disbursement schedule as follows:-

- a) 40% for land purchase
- b) 20% on completion of mortgage
- c) 20% on reaching plinth level and
- d) 20% on completion of roof

**6. HBA utilisation schedule:-**

The present rules provide for a time limit of one month from the disbursement of HBA for the purpose of outright purchase of a completed house/flat. Similarly, a time limit of 36 months has been prescribed from the date of disbursement of initial HBA instalment for the purpose of instalment purchase of a house/flat from a Limited Company or from an existing/proposed Cooperative Society or from a Registered Private Builder/Promoter.

In partial modification of the above provision, it has been decided that the time limit for outright purchase of a completed house/flat will be two months from the date of disbursement of HBA.

Similarly, for instalment purchase of a house/flat under construction/completion, the time limit may be extended by another 6 months, beyond the normal period of 36 months, by the Functional Directors depending on the merits of each case. Wherever such time extensions have been granted, normal rate of interest on HBA will apply for such extended period also. The instalment recovery of loan in such cases will commence from the month following the month in which possession is available, or the 36th month from the month in which initial instalment of HBA was disbursed, whichever is earlier.

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**7. Adjustment of HBA against Gratuity:-**

Under the rules, an employee who once opts to adjust the gratuity entitlement against HBA is not permitted to change such option thereafter. The rules also provide that an employee may be allowed to repay the HBA at any time either in full or in part (in multiples of Rs.1000/-) not exceeding 2 occasions.

In partial modification of the above provision, it has been decided that an employee who had earlier opted to adjust the gratuity entitlement against HBA may be permitted to opt out of such gratuity adjustment option.

Similarly, if an employee decides to repay the HBA, he may do so either in full or in part (in multiples of Rs.10,000/-) upto 4 occasions.

**8. Redrawal of HBA:-**

Under the existing rules, if an employee refunds the HBA without acquiring the property for which it was drawn, he will be allowed to draw such HBA at a subsequent date, but limited to his entitlement at the time of original drawal of HBA.

In partial modification of the above provision, it has been decided that an employee refunding the HBA without acquiring the property may be allowed to draw the HBA at a subsequent date subject to his HBA entitlement as on the date of drawal of HBA at such subsequent date.

**9. HBA for increased cost of property:-**

The present rules provide that once the sanctioned HBA is fully drawn, no further increase in cost of property will be admissible.

In partial modification of the above provision, it has been decided that in case of an increase in cost of property

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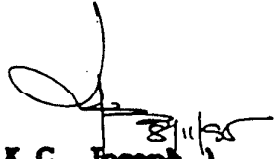
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**demanded by a Housing Authority/ Limited Company/ Cooperative Society/Registered Builder or Promoter, the employee will be permitted to draw such increased cost as HBA within the HBA entitlement of the employee, even though the HBA sanctioned earlier was fully disbursed.**

All other existing provisions and procedural requirements under the HBA Rules of the Corporation will continue to operate.

You are requested to notify the above modifications to the HBA Rules to all concerned for implementation.

  
( K.C. Joseph )  
General Manager (HR)

SPC (DGM(A20))

ILLUSTRATION FOR ADDITIONAL HOUSING LOAN(A) FOR PURCHASE OF ANOTHER HOUSE/FLAT:

a) Amount of First Loan (say)	Rs.1,04,000
b) No.of Instalments already recovered	95
c) Principal Loan - Repaid	Rs. 44,745
d) Principal Loan - Balance	Rs. 59,255
e) Interest Accrued, till date	Rs. 37,956
f) Outstanding Loan (d + e)	Rs. 97,211
g) Present Loan Entitlement (say)	Rs.4,00,000
h) Additional Loan Entitlement (g - a)	Rs.2,96,000
i) Total Loan (h + f)	Rs.3,93,211
j) Revised Principal Loan	Rs.3,55,255
k) Interest	Rs. 37,956
	(+ Interest on Rs.3,55,255
l) Total Balance Instalments for Recovery	205
i) For Revised Principal Loan	130
ii) For Interest	75

(B) FOR ENLARGEMENT OF EXISTING HOUSE/FLAT / Repair + maintenance

a) Amount of First Loan (say)	Rs.1,04,000
b) No.of Instalments already recovered	95
c) Principal Loan - Balance	Rs. 59,255
d) Interest Accrued, till date	Rs. 37,956
e) Present Loan Entitlement (say)	Rs.4,00,000
f) Additional Loan Entitlement (e - a)	Rs.2,96,000
g) Revised Principal Loan (c + f)	Rs.3,55,255
h) Interest	Rs. 37,956
	(+ Interest on Rs.3,55,255
i) Instalments for Recovery	205
i) Revised Principal Loan	130
ii) Interest	75