
INDIAN AIRLINES EMPLOYEES' (MISCELLANEOUS LOANS) REGULATIONS, 1966

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INDIAN AIRLINES EMPLOYEES' (MISCELLANEOUS LOANS) REGULATIONS, 1966

¹1. Gazette of India, 1986 Part III, Sec. 4, p. 1067 In exercise of the powers conferred by Section 45 of the Air Corporations Act, 1953 (27 of 1953), Indian Airlines hereby makes the following Regulations known as the Indian Airlines Employees' (Miscellaneous Loans) Regulations, 1966 as amended upto 1979.

1. Short Title and Application :-

- (i) These regulations may be called the Indian Airlines Employees' (Miscellaneous Loans) Regulations, 1966 as amended upto 1979.
- (ii) They shall apply to all employees of the Corporation in India and abroad.

2. Definitions :-

In these Regulations unless the context otherwise requires:

(a) "Corporation" means Indian Airlines.

(b)

(i) 'Managing Director' and 'Deputy Managing Director' means Managing Director and Deputy Managing Director of the Corporation.

(ii) "Competent Authority" means in relation to the exercise of any power the 'Corporation' or any other authority specified in that behalf by the Corporation in the Instrument of Delegation of Administrative and Financial powers.

(c) "Employee" means a person in the service of the Corporation but does not include a person employed on a part time or casual basis.

3. General Conditions :-

(i) The grant of loans under these Regulations shall be solely at the discretion of the competent authority and no employee shall be entitled to claim any benefit under these Regulations as a condition of service or as a matter of right.

(ii) Not more than one loan shall be granted for the same purpose. However, in respect of the following purpose Managing Director/Dy. Managing Director in consultation with Director, Finance may grant a second loan having regard to the merits of the case and subject to the following conditions:

(a) to meet heavy expenditure on prolonged medical treatment of the employee or any member/members of his family.

(b) for purchase of vehicle:

(i) in the case of a Car, second loan will be admissible after expiry of 5 years from the date of grant of first loan; in the case of motor-cycle/scooter after expiry of two years from the date of grant of first loan.

(ii) The quantum of the second loan shall be determined after deducting the sale proceeds, if any, of the old vehicle.

(c) the grant of second loan in respect of the above purpose shall be subject to the conditions specified in Regulations 6 and Regulations 8.

(iii) In sanctioning any loans under these Regulations the Sanctioning authority shall take into account the capacity of the employee to repay the loan having regard to his monthly emoluments and his liability to repay any other outstanding loans that may have been taken from the Provident Fund or other source.

(iv) If any loan under these Regulations is not utilised for the purpose for which it is sanctioned within the specified period or

within such period as may be laid down by the Sanctioning Authority the outstanding amount with interest shall be repaid immediately failing which it may be recovered by that authority in such manner as may deem fit.

Comment - No employee can claim entitlement to loan as a matter of right. Normally there shall be only one loan for one purpose. Of course one of the exceptions is where the loan is taken for meeting heavy expenditure on prolonged medical treatment.

4. Administrative Orders :-

The Managing Director may issue such general or special orders, not inconsistent with these regulations as he may consider necessary or desirable for the full and proper administration of these regulations.

5. Liability Under the Provident Fund Regulations :-

Any loan granted under these regulations to an employee or any part of such loan and any interest thereon outstanding when the sum standing to that employees credit in his Provident Fund accounts becomes payable on cessation of his membership shall be deemed to be a liability incurred by the employee to the Corporation within the meaning and for the purpose of sub-Regulation (3) of the Regulation 23 of the Indian Airlines Employees' Provident Fund Regulations.

6. Loans For Meeting Medical Expenses :-

(i) The Managing Director/ Deputy Managing Director with the concurrence of Director, Finance may sanction a loan to an employee in such amount as may be deemed reasonable, but not exceeding Rs. 10,000 for the purpose of enabling him to meet heavy expenditure on medical treatment for himself or any member or members of his family, if he is satisfied that the circumstances justify the grant of such loan. Similarly Regional Directors and Secretary with the concurrence of the Finance Manager in the Region and Dy. Director, Finance in HQrs. for a like purpose may grant loan not exceeding Rs. 3,000.

(ii) The rate of interest on such loans shall be 3% per annum on the balance outstanding every month unless having due regard to the circumstances of any case the Managing Director/Dy. Managing Director permits a lower rate or waives interest altogether.

(iii) The principal with interest (if any) shall be repaid in monthly

instalments not exceeding sixty and each such instalments shall be deducted from the employee's salary commencing from the month following the month in which the loan is paid. Provided that in exceptional circumstances, the Managing Director/Dy. Managing Director or as the case may be, may per such repayment to be made in a larger number of instalments or to commence after a specified period.

(iv) An employee who is granted such a loan shall furnish the guarantee of another permanent employee to the performance of the relevant terms and conditions of the loan, and shall, if so required by the authority granting the loan, furnish security for the full amount of the loan in such one or more of the following forms as that authority may direct, namely:-

(a) Execution of a demand promissory note for the amount in favour of the Corporation;

(b) Any other security which the authority may consider necessary or desirable.

Comment - The maximum loan for medical treatment is Rs. 10,000 bearing interest at 3 per cent per annum and payable in 60 instalments.

7. Other Personal Loans :-

(i) The Managing Director/Dy. Managing Director with the concurrence of Director, Finance may grant an employee a loan in such amount as may be deemed reasonable, but not exceeding Rs. 15,000 in any of the following circumstances:

(a) to meet Financial obligations arising out of any unforeseen circumstances which merit the grant of a loan;

(b)

(i) to repair residential accommodation or to make obligatory payments like payment of advance rental charges in regard to the acquisition of residential accommodation;

(ii) to pay registration money in respect of Government Housing Schemes like Delhi Development Authority, Bombay Housing and Area Development Board, etc.

(c) to meet expenses in connection with technical or professional courses of study in respect of himself or his dependents;

(d) to meet expenditure of a nature which is commercially in the interest of the Corporation;

(e) to meet expenditure in other contingencies where the grant of such Financial assistance is according to the local law, customs or practice;

(f) to meet expenditure on account of major repairs such as engine overhaul change of engine, arising out of normal wear and tear (not on account of accident, Fire, etc. covered under vehicle insurance policy) in respect of motor car owned by the employee provided (i) the car has been in use by the employee for more than five years; (ii) vehicle loan if availed earlier by the employee is fully paid together with interest.

(ii) The competent authority with the concurrence of the Finance Manager in the Regions and Dy. Director, Finance in HQrs. may grant loan in any circumstances specified in sub-regulation (i) (a), (b) (i), (c), (d), (e) and (f) upto Rs. 5,000 and in respect of circumstances specified in sub-regulation (i) (b) (ii) upto Rs. 15,000.

(iii) Every loan granted under this Regulation shall carry simple interest of 4 1/2% per annum on the reducing balances provided, however, that a loan granted in pursuance of Cl. (b)(i) and (ii) and (f) of sub-regulation (i) shall carry simple interest on the following rates:

(a) under clause (b) (i) of sub-regulation (i) at the rate of 5 1/2% per annum.

(b) under Cl. (b) (ii) of sub-regulation (i) at the rate at which DDA or Bombay Housing and Area Development Board, etc. pay interest on initial registration money or 5 1/2% per annum whichever is higher.

(c) under Cl. (f) of sub-regulation (i) at the rate of 6 1/2% per annum.

(iv)

(a) Loan granted under Regulation shall be repayable with interest In such number of monthly instalments as the authority granting the loan may permit as under:- (i) not exceeding 60 in respect of loan under sub-regulation (i) of this regulation.

(b) Recovery of loan in appropriate instalments shall commence from the month following the month in which the loan is paid.

(v) An employee who is granted such a loan shall furnish the guarantee of another permanent employee to the performance of the relevant terms and conditions of the loan and shall, if so required by the authority granting the loan, furnish security for the full amount of the loan in such one or more of the following forms as that authority may direct, namely:-

(a) execution of a demand promissory note for the amount in favour of the Corporation.

(b) any other security which the competent authority may consider necessary or desirable.

Comment - The maximum limit for loan for other purpose is Rs. 15,000.

8.1. Loans for the Purchase of Vehicles :-

8.2. 8.2 :-

8.3. 8.3 :-

8.4. 8.4 :-