

## Guidelines- Rules for Vehicle Advance

### 1. Eligibility.

All serving Naval personnel/members of NGIF Scheme fulfilling following eligibility conditions will be considered for loan for purchase of vehicle.

(a) Officers.

- (i) Car/Van/Jeep - After completion of 3 years of commissioned service.
- (ii) Two Wheelers - After completion of 2 years of Commissioned Service.

(b) Sailors.

- (i) Car - After completion of 10 years of service. For all serving personnel.
- (ii) Two Wheelers - After completion of 2 years of Service.

### 2. Amount Of Advance.

The Maximum amount of advance permissible to an eligible member will be as under:-

- (a) **Motor Car (Officers)** - New Car - Rs.15,00,000/- Old Car - Rs.7,50,000/-  
or actual cost whichever is less (subject to repaying capacity).
- (b) **Motor Car (Sailors)**- New Car - Rs.15,00,000/- Old Car - Rs.7,50,000/-  
or actual cost whichever is less (subject to repaying capacity).
- (c) **Two Wheelers** - Rs.1,00,000/- or actual cost whichever is less.

### 3. Minimum Residual Service Before Retirement.

Eligible personnel with not less than two years of residual service and who have repaying capacity will be considered, accordingly to their ability to repay the loan before retirement.

### 4. Photo Copy of Valid Driving License.

With immediate effect all personnel desirous of availing motor car/two wheeler loans are to submit the photo copy of valid driving license along with the loan application.

## **5. Confirmation of Further Re-Engagement Period.**

The administrators of Naval Group Insurance Fund have decided to add the following in the loan application.

- (a) All loans are to be liquidated within the current engagement period.
- (b) Copy of CABs serial number to be quoted under which the sailor has been further re-engaged.

## **6. Sanction of Second Loan.**

Grant of Second loan will be subject to the condition that there is no outstanding balance of the previous loan and that a period of three months has elapsed from the date of liquidation of the loan for a particular type of vehicle. The restriction of three months will not be applicable in following cases:-

- (a) If the earlier advance taken is for two wheelers and he now wishes to avail advance for Motor Car or vice versa.
- (b) For Junior Sailors VCA amount will be subject to saving element available with NGIF.

## **7. Rate of Interest**

The rate of interest chargeable will be 9% pa on monthly reducing balance for all advances which is subject to revision as per decisions of the General Committee.

## **8. Repaying capacity.**

Repaying capacity will be determined by ascertaining the total deductions in SE (DSOP/AFPP Fund limited to the compulsory deduction etc) including the anticipated EMI, against which loan should not exceed 60% of gross pay and allowances as reflected in the latest statement of entitlement of the member.

## **9. Repayment of Loan in the event of release/retirement/invalidment.**

The loan repayment will have to be completed before retirement on super annuation/premature retirement/release/discharge/invalidment or leaving service due to any other reason. The advance and interest shall be recovered based on the equated monthly installments through the pay of the individual, commencing from the following month of payment of advance. **The number of monthly installments for recovery of loan once fixed will not be altered.**

## **10. Refund of VCA.**

(a) Refund of outstanding principle of motor conveyance Loan will be accepted as one lump sum, no part refunds will be accepted. The member is to write to NGIF asking for balance outstanding amount. On receipt of the balance amount from NGIF a Demand Draft in favour of "NGIF" payable at New Delhi is to be forwarded to NGIF by last working day of the respective month. On credit of amount in to NGIF account the EMI will cease from the next month.

(b) In the event of release/retirement/ invalidment before liquidation of the advance, the outstanding amount together with due interest is to be refunded by the borrower well in time failing which, it would be recovered in one lump sum out of his Survival/Retirement benefits/DCRG etc.

(c) In the event of death whilst in service, the outstanding advance and interest thereon would be recovered from the benefit that would be accruing from NGIF and retirement benefits. A certificate to this effect is to be rendered by the individual as given in the loan application. In case an individual is dismissed/removed or resigns from service before repayment of advance together with interest, the CO/Stn Cdr is empowered to take possession of the Motor Car/Motor Cycle/Scooter/Moped purchased with NGIF loan while relieving him from duty/service.

## **11. Execution of Mortgage Deed**

Members granted loan from NGIF will execute mortgage deed hypothecating the Motor Vehicle to NGIF as security for the amount taken as loan, as per format attached with application form (Form NGIF/VCL/03).

## **12. Insurance of Vehicle**

Immediately on purchase of the vehicle, the member will get **the vehicle insured and hypothecate the vehicle in favour of NGIF, at his own cost, till such time the advance including the interest is repaid/liquidated in full.** The insurance policy/cover note duly hypothecated to NGIF will be forwarded by the member regularly every year to NGIF till liquidation of the loan amount. The Registration of the vehicle by RTO should be made on the name of the member only.

**Note: The hypothecation is to be endorsed ONLY in the insurance papers and NOT in the Registration Book (RC Book).**

## **13. Sale of Vehicle**

A member who purchases vehicle out of NGIF advance, is not permitted to sell the item without prior permission of the NGIF, before repayment of entire advance amount with due interest.

#### **14. Conditions where Loan is not Admissible.**

The loan from NGIF is not admissible in following cases,

- (a) Repayment of loan availed for vehicle purchased earlier.
- (b) Re-employed personnel.
- (c) Purchase of more than 4 years old, second hand vehicle.
- (d) Where conveyance advance is outstanding from Govt. /NGIF for similar type of vehicle**
- (e) Where the total deductions from pay and allowances on all accounts including house building loan/Provident Fund/subsription to NGIF/Income Tax deductions etc. exceeds sixty percent of monthly gross emoluments of individual.
- (f) Member having less than two years of active service.

#### **15. Submission of Documents**

Following documents, as applicable, are to be submitted to NGIF by the member within 60 days, in respect of purchase of vehicle respectively, from the date of the sanction of loan.

- (a) Cash receipt.
- (b) Xerox copy of Registration Book of vehicle.
- (c) The Insurance policy duly Hypothecated to NGIF.

**Note: - The endorsement of loan/hypothecated entry is not to be made in the Registration Book.**

#### **16. Inability To Purchase Vehicle.**

In case the member is not able to purchase the vehicle after drawal of advance and desires to refund it on commencement of EMI, he would be permitted to refund the entire amount in one lump sum. However, the amount recovered by Naval Pay Office, Mumbai, through EMI will not be refunded to the member and would be credited to NGIF.

### **17. Maximum Number of Installments.**

The maximum number of installments permissible depending on the length of service is as indicated below,

(a) Motor Car - Officers

New Car – 120 (maximum EMIs) ; Old Car – 60 (maximum EMIs)

(b) Motor Car - Sailors

New Car – 120 (maximum EMIs) ; Old Car -60 (maximum EMIs)

(c) Two Wheelers - 36 (maximum EMIs)

**Note: - The number of monthly installments for recovery of loan once fixed will not be altered.**

### **PATH FOR FORMS**

(i) On NEWN Website-> Knowledge-> Organisation generated-> Policy Letters-> DNPf Policy Letters-> NGIF-> NGIF VCA

(ii) On Internet-> [www.indiannavy.nic.in](http://www.indiannavy.nic.in) -> Welfare -> NGIF -> NGIF VCA