

6P
Delhi Urban Shelter Improvement Board
Govt. of NCT of Delhi
Office of Director (HOUSING)

No. DD/Housing/DUSIB/2019/D- 381 ✓

Dated. 12.06.2019

Sub:- Reg. Fixation of Penal Interest @ 7.00% per annum on the delayed payment of monthly instalments by the allottees/purchasers of flats allotted under Special Registration Scheme 1985.

Enclosed please find herewith photocopies of decision of Hon'ble Minister of UD dated 03-06-19 on the subject cited above for information and necessary action.

12/06/19
Director (Housing)

✓ B&F.O. (DUSIB)

60/4

(350) May please peruse the proposal of Director (Housing) at para 345 (page 58/N) regarding fixation of penal interest rate @ 7.00 % per annum on the delayed payment of monthly instalments by the allottees /purchasers of flats under Special Registration Scheme, 1985 for ever to recover the outstanding dues from them. The proposal has been referred to the Finance by Member (A) for examination.

(351) In this connection it is submitted that under the Special Registration Scheme, 1985 penal interest @ 12.00% p.a, 24.00% p.a and 48.00% p.a were stipulated for delay in payment of instalments by one month, more than one month and upto two month and more than two months respectively. With a view to make recoveries of outstanding dues and on the demand of public representatives, the DUSIB had launched the penalty relief scheme time and again during last 3-4 years reducing the interest rate to 7.00% for making payment of dues within the stipulated period. However, the response to the penalty relief scheme had been moderate to poor. Therefore, any presumption on the part of department that the allottees/ purchasers will willingly deposit the dues if the interest rate is reduced to 7.00% forever appears to be highly optimistic and contrary our past experience. It is also clarified that there cannot be similarity in the rate of penal interest and the interest being given by DUSIB on registration money as the lending rates are decided on higher side in comparison to the borrowing rates.

(352) Further, the DUSIB has already fixed interest rate @ 12.00% per annum irrespective of the period of delay in making payment of monthly instalment. DUSIB is facing financial crisis. The Government of NCT of Delhi has been providing ways and means loan to DUSIB to meet its salary and establishment expenses. Any further reduction in the interest rate on permanent basis will reduce the outstanding dues recoverable by DUSIB substantially and adversely affect the already meagre resources of revenue and capital receipt of DUSIB. As far as recovery of dues is concerned, we have already intimated to the Government of NCT of Delhi/ Board that the dues are not likely to be recovered from the allottees/purchasers without adopting coercive measures.

(353) In this connection, the undersigned approached DDA for having current policy/ interest rates being charged by DDA in respect of their housing scheme. As per copy of Office Order No. F.21(Misc)9/Int/HAC/2001/2014/2018/252 dated 26.9.2018 collected from DDA, simple interest rate @ 14.00% per annum is being charged by DDA on delayed payment of cost of flats/shops and plots in respect of both hire purchase and cash down allotments. (Copy placed opposite for kind perusal).

(354) Considering the financial position of DUSIB, and the interest rate @ 12.00% per annum already decided by the Board which is on lower side as compared to interest being charged by DDA, as mentioned above, it is not advisable to reduce interest rate any further from 12.00% per annum. While deciding this issue it may also be kept in view that beneficiaries of other schemes, allottees of shops and plots may also seek parity in the interest rates. However, the matter may be placed for appropriate decision please.

R-230/DIS(H) (8F)
19/3/2019
R-199/MIP/19 2 Feb
19/3/19 R/169/A-O(THAV)

B. S. NANRA
Date: 18/3/19
6327 2F

R-159/DDH/19
20/3/19
2F

19/3/19
B & F, DUSIB

14/3/19
H. S. NANRA
BFO (DUSIB)

Sr. AO (HQ)
H.A.

14/3/2019

M discuss
20/03/19
Din H / DDHS. DDH
Ran Ind
19/3/19

Pl. accompany
DA earned 20/03/19

61/N

355. Discussed with member (Admin.) in the presence of Director (Housing). Pl. put up a self contained typed note for the consideration & approval of Hon'ble U.D. Minister along with draft reply urgently. Also discuss.

Rajesh
25/03/19

AD (Hsg.) on Election Duty

Concerned D.A.

356. Before processing the case, An Interim reply may be sent to Sh. Som Dutt, Hon'ble MLA for apprising the matter.

In this regard, a letter has been prepared & placed opposite for approval & signature please.

Submitted please.

AS
25-3-19

A.D (H) - E/dotA

357. Dy. Dir (H) may kindly see before issue.

Rajesh
25/03/19

Director (Hsg.) U 26/03/19

DD (H) Letter signed.
pl. issue.

Rajesh
26/03/19

Despatch clerk
Concerned D.A may put up as per 'A' above

(2P)
R-156 (DD (H))
20-3-19

As directed by the Dy. Director (Housing) at page 61/N the brief fact of the case is as under:-

358. During the year 1985, the erstwhile Slum & JJ Department, then under the management & control of DDA had launched a scheme namely "Residential flats registration scheme, 1985" for allotment of flats to slum dwellers and other on the pattern followed by the DDA. About 27693 applicants have applied and were registered under the scheme by paying an amount of fee of Rs.3000/- each.

359. Under this scheme, erstwhile, slum & JJ department (Now DUSIB) allotted 5662 flats, out of which 2463 flats were allotted on hire purchase basis. The allottee was required to pay 25% of the cost of flat at the time of allotment and the balance cost of flats in 180 monthly instalments. The rate of interest for delayed payment i.e. after 01 month was 12%, after two months it was 24% and after 3 months was 48% rate of interest and over balance payment was decided to be recovered from the allottees.

360. Further, it has been decided in the VIIIth meeting of DUSIB held on 11.05.2013 that a scheme for relief/waiver of interest and penalty charges in respect of 1985 registration housing scheme should be drawn up.

361. In the IXth meeting of the Board, the ~~following~~ interest/waiver/special relief/Amnesty scheme has been approved by the Board for a period of 01.09.13 to 31.03.2014 and further extended upto 01.10.2014 to 31.03.2015 in the XIth Meeting of the Board.

362. It is further intimated that the rate of interest was reduced from 12% to 7% in 2015 in the 13th Meeting of DUSIB under Chairmanship of Hon'ble Chief Minister Delhi held on 22.09.2015 which was extended w.e.f 01.11.2015 to 31.01.2016. The reduce rate of interest again extended form 12% to 7% which was applicable from 01.03.2017 to 31.08.2017. The Housing branch prepared the notices @ 7% and issued to all allottees/purchasers/occupants for depositing the dues.

363. This branch has also sent a letter to area concerned Hon'ble MLAs to motivate all the beneficiary in their constituency for availing the opportunity in respect of flats allotted on hire purchase basis under residential flats Registration Scheme 1985.

In inspite of these, people however did not take any interest to avail the opportunity and deposit the outstanding dues. The rate of interest @12% was applicable after 31.08.2017. The period of 7% rate has been lapsed.

364. It is pertinent to mention that there is no such policy vests with the department to wave off 100% penalty, for the residential flats allotted under Residential Flats Registration Scheme for Slum Dwellers and Others- 1985, however, the department has given many opportunities to the residents residing under these colonies by reducing the interest rate from 48% to 7% .

365. However, consequent upon receipt of a reference of 100% *waiver of* penalty from Sh. Som Dutt, Hon'ble MLA, the file was referred to AO (HAU) through Member (Admn.) for seeking their views. In this regard, the HAU examined the file and remarked as under.

366. The Special Registration Scheme-1985 envisages penal interest @ 12.00% p.a, 24.00% and 48.00% p.a. stipulated for delay in payment of instalments by one month, more than one month and upto two month and more than two months respectively with a view to make recoveries of outstanding dues. However, on the request of public representatives, the DUSIB launched the penalty relief scheme time and again during last 3-4 years reducing the interest rate merely to 7.00% for making payment of dues within the stipulated period. However, the response to the penalty relief scheme had been moderate to poor. Therefore, Finance has observed that any presumption on the part of department that the allottees/purchasers will willingly deposit the dues if the interest rate is reduced to 7.00% forever appears to be highly optimistic and contrary to past experience. It has also been clarified by Finance that there cannot be similarity in the rate of penal interest and the interest being given by DUSIB on registration money as the lending rates are decided on higher side in comparison to the borrowing rates.

367. Further, the DUSIB has already fixed interest rate @ 12.00% per annum irrespective of the period of delay in making payment of monthly instalment. DUSIB is facing financial crisis. The Government of NCT of Delhi has been providing ways and means loan to DUSIB to meet its salary and establishment

expenses. Any further reduction in the interest rate on permanent basis will reduce the outstanding dues recoverable by DUSIB substantially and adversely affect the already meagre resource of revenue and capital receipt of DUSIB. As far as recovery of dues is concerned, DUSIB has already intimated to the Government of NCT of Delhi/Board that the dues are not likely to be recovered from the allottees/purchasers without adopting coercive measures.

368. In this connection, DUSIB Finance approached DDA for having current policy/interest rates being charged by DDA in respect of their housing scheme. As per copy of office order No. F.21(Misc)9/Int/HAC/2001/2014/2018/252 dated 26.09.2018 (P-294/C) collected from DDA, as per which simple interest rate @ 14.00% per annum is being charged by DDA on delayed payment of cost of flats/shops and plots in respect of both heir purchase and cash down allotments. (Copy placed opposite for kind perusal).

369. Considering the financial position of DUSIB, and the interest rate @ 12.00% per annum already decided by the Board which is on lower side as compared to interest being charged by DDA, as mentioned above, it is not advisable to reduce interest rate any further from 12.00% per annum. While deciding this issue it may also be kept in view that beneficiaries of other schemes, allottees of shops and plots may also seek parity in the interest rates. However, the matter may be placed for appropriate decision please.

370. Now, in view of the above, the matter may be appraised to Hon'ble Minister (UD) for further direction in this matter please..

~~R-156/DDA/19
8-4-19~~

R-265/DIT/Hsg
9/4/19
6/12/19

~~R-647/MCA/19
9/4/19~~

Sh. Ashish
Ranah
11/04/19

Asstt. Director (H) - E/D.

Dy. Director (H)

Director (Hsg.)

DP (A) / DUSIB

Ranah
08/04/19

9104/19

371.

Pl. resubmit after Elections Code of Conduct is over.

DIT/Hsg
9104/19
DP (Housing)

Ran Dhanu
10/4/19

~~5-4-19~~
D.A

65/N

372. May kindly see the directions of Member (Admn) dated 10.04.2019 at pre-page regarding resubmitting the file after Election Model code of conduct is over.

373. In this regard, the file is resubmitted for consideration, full facts of the matter are however already available at page No. 62/N to 64/N, which are self-explanatory.

374. Further, it is also submitted that consequent upon receipt of Audit Para regarding outstanding recovery of Rs. 126.69 Crores, an AGENDA ~~MEMO~~ has been drafted by this office for placing before the Board in its next meeting (at page 299/C.)

Keeping in view of above, the matter may be placed before Higher Authorities for further directions in this regard.

AS
24-5-19
Dealing Assistant

KJ
24/5/19.
Asstt. Director (H)

Dy. Director (H)

Ramdas
24/5/19

Director (Hsg.)

27/05/19

M (A) / ~~Admn~~

376. May pl. see the background note from 62/N onwards and the proposal at para 369 for retaining the interest rate at 12% p.a. for default payments by Housing scheme allottees. Audit has also pointed out the outstanding recovery of Rs 126.69 crores on this account. If approved, we may issue the fresh notices

R-830/M(A)/19 SF
27/05/19
6/6/19

2F
A-156/DDCH/19
24-5-19

R-346/DIO(H)
24/5/2019

66/N

for recovery to all the defaulters.

Ravi Dandias
27/5/19

~~CEO~~

~~28/5/19~~

SHURBIR SINGH, IAS
CEO, DUSIB

Hon. min. UD.

Sl. No. 1532
Date 27/5/19
G.O. No. 1532
at 4:30pm

MINA/
Dated 28-5-19
Office of the Minister of Health, Home, Power, Industries & UD, GOVT. OF U.P.

377 We may retain the rate of interest as 7% from 31.08.2017 onwards and action for recovery from defaulters be taken accordingly. However, the decision may be brought for Ex-post facto approval in the next Board Meeting.

Copy No. G-1177
03/06/19

[Signature]
3.6.19
(Satyendar Jain)
Minister (UD)

~~CEO, DUSIB~~

[Signature]
26/06/19
SHURBIR SINGH, IAS
CEO, DUSIB

~~MEM~~

[Signature]
6/6/19.

~~Dir Housing~~ 7/06/19

~~DD (Housing)~~
For immediate necessary action pl.
Randy
07/06/19

~~R/366/DIR Housing~~
6/6/19

~~AD(H)~~
We may convey the decision to Sr. A.O.
(HAW) pl.

~~Dr. Parmod, UPE.~~

In reference to above, a covering letter enclosing the photocopies of the decision of Hon'ble Min. UD is prepared and placed opp for mg. for onward sending it to Sr. A.O. (HAW) pl.

[Signature]
12/06/19
Dealing Asst.

~~AD(H)~~
~~DD(H)~~