C.C. No.11/2006

20.11.2018

PW 28 – Mr.M.N.Rajan

Solemnly affirmed in accordance with the provisions of Act X of 1873 on this the 20th day of November, 2018.

Chief Examination – Continuation:

The procedure for sanction of housing plots 1. Approval to the builder, The builder should be a reputed builder, he should have all the necessary approvals for developing the plots like local body approval, non encumbrance certificate, legal documents to the title of the property etc.,

HUDCO will examine the technical feasibility of the scheme by taking evaluation report from an approved valuer, legal opinion from the legal officers or an employment advocate. The valuation is for the purpose of ensuring adequate security for the loan and legal opinion is for the purpose of mortgaging property to HUDCO. After ensuring technical and legal requirements regional chief can consider sanction of the loan as per delegation of powers to the regional chief. Accordingly the developer will be informed by HUDCO of HUDCO's willingness to consider the loan application from individual buyer as per their eligibility as detailed before.

Individual loan applications will be entertained by HUDCO for purchase of the plots subject to furnishing following documents. 1. Loan application in the prescribed proforma, 2. Income proof, 3. Bank account details, 4. References from two known persons from the locality of the buyer, 5. Allotment letter from the developer allotting the plot number, sale price of the plot etc.,

HUDCO will examine the loan application verify the employee particulars, bank references etc., and we found eligible after the income certificate sanction note will be prepared by the section and put up to the regional chief for his approval. The sanction is signed by the committee of the technical officer, legal officer and finance officer of HUDCO.

The eligibility criteria of sanction of individual loan is 35% of the income to be paid as equated monthly installments. The quantum of loan amount will be a maximum of 85% of the sale price of the plot which includes cost of land, development charges, stamp duty etc.,

The term of repayment is 10 to 15 years. At that time 10 years. The age limit is upto the retirement age of the loanee or the business man upto 60 years. The loan will be secured by the HUDCO by way of creating and EM by deposit of title deeds and the same should be guaranteed by 2 persons apart from the applicants. HUDCO is entitled to collect processing fee prescribed during the relevant period. The verification of the applicants including the salary particulars and other particulars to be verified by way of sending letter to the concerned authorities before according the sanction.

The documents for creation of the security for the loan are 1. Original registered sale deed of the property, 2. Parent documents copies, 3. Allotment letter, 4. Proof of advance payment if any paid, 5. All original approvals regarding plots or the building.

On completion of the legal and technical formalities loan sanctioned will be paid to the developers by way of cheque drawn in the name of the developers. During the relevant period of this case the regional chief of HUDCO, Chennai was Shri V.Arulkumar and Smt S.Vijayalaxmi, Stenographer attached to HUDCO Niwas. HUDCO Niwas is the retail housing finance division of HUDCO. HUDCO Niwas was also headed by the branch manager Muralidharan under the control of (A1) Arulkumar.

In September 2003, I took the charge of Branch Manager of HUDCO Niwas, Chennai and I handled the account pertains to M/s.Sindhu Developers Pvt. Ltd., against whom housing loans sanctioned in individual names by HUDCO on the basis of the plots developed by M/s.Sindhu Developers Pvt. Ltd.

Now I am shown the loan file pertains to A.Selvaraj bearing loan no.2604 sanctioned by HUDCO Niwas, Chennai for sum of Rs.1,28,000/- for purchasing a plot no.954, Shree Krishna Nagar, No.157, Pondur village, Sriperumbudur, developed by M/s.Sindhu Developers. The loan files containing the loan application along with the salary certificate, the regional office sanctioned note signed by technical member, law officer, finance manager and approved by Regional Chief A1 Arulkumar dated 2.4.2002, the sanction communication, the agreement of sale dated 15.3.2002, the copy of layout plan, the original sale deed bearing no.1640/2002 of SRO, Sriperumbudur, invoice dated NIL issued by M/s.Sindhu Developers Pvt. Ltd., in favour of S.Selvaraj for a sum of Rs.1,69,167/-, Demand Promissory note, the special power of attorney, the letter of guarantee executed by the borrower and the guarantor, HUDCO individual loan agreement, HUDCO Niwas post sanction appraisal note signed by S.Muralidaran, Branch Manager and Vijayalaxmi (A2), loan release memo, disbursement advice, call letter and the letter evidencing deposit of title deed executing by the borrower Selvaraj are now marked together as **Ex.P.107 Series (46 sheets)**. (LD15)

(At the request of Special PP, chief continuation adjourned)