

Manual 1
Particulars of organisation function & duties
[Section 4(1)(b)(i)]

1. Aims and objectives of the organisations The Delhi Co-operative Housing Finance Corporation Ltd. (DCHFC), is a co-operative institution registered under the Delhi Co-operative Societies Act, 2003 and it has been classified as an “apex” under section 74(b) of the said act which provides as under :-

Section 74(b) of the Delhi Co-operative Societies Act, 2003

“apex” means the Delhi Co-operative Housing Finance Corporation Ltd.; a co-operative society registered to provide long term finances for construction, development of infrastructure, bridge loan for land etc., against certain securities and sureties for construction, purchase of land, etc.;

The objects as per bye-law (3) of the Bye-laws of the DCHFC for which the Corporation is established shall be :-

- (i) to grant loans or advances to the member cooperative housing societies and nominal / associate member on such terms and conditions and on the security of immovable property and or such other security as may be considered necessary.
 - (a) to participate as a partner in a joint-venture company of the Government of National Capital Territory of Delhi or the Central Government for the promotion of housing activity, development of infra-structure, construction activity, information technology along with other allied activities relating to housing through share capital participation and also participate in the management of such a joint venture through nominated Director(s) in relation to the subscribed and paid-up share capital in the company, with a right to withdraw from the company.
 - (b) to grant loans and advances to all types of co-operative societies for construction activity in general by enrolling them as members on such terms and conditions as may be determined by the Board from time to time and on the security of immovable property and or such other security as may be considered necessary with a proviso that the beneficiary shall also be enrolled as a nominal member for grant of loan which will be routed through the society but would be recovered from the beneficiary who would be responsible for its repayment along with his sureties.
 - (c) to grant loans and advances to societies registered under the Societies Registration Act, 1880 or Trusts Registered under the Indian Trusts Act, 1862m which are engaged in the social section namely; health, education

and welfare activities, for construction of their own building to be used for advancement of their objectives only; provided that such a Society or Trust possesses land free from all encumbrances, charge, lien, mortgages, attachments, gifts etc. which can be mortgaged as a security of loan on such terms and conditions as may be determined by the Board from time to time.

- (d) to grant loans and advances for development of infra-structure within a housing complex by a co-operative housing society as also elsewhere, against the security of immovable property and/or such other securities and on such terms and conditions as may be determined by the Board from time to time.

- (ii) to obtain funds by way of deposits, loans or grants from members and such other sources as may be deemed necessary on such terms and conditions as may be prescribed by the Board with the approval of the Registrar.

- (iii) With the prior sanction of the Central Government, Government of National Capital Territory of Delhi to borrow or raise or secure the payment of money by the issue of debentures, debenture stock and bonds and to charge or secure the same by Trust Deed on the undertaking of the Corporation or upon any specific property and rights of the Corporation.

- (iii) (a) to implement the scheme(s) of National Housing Bank by enrolling individuals as nominal / associate members and grant loans against the security of immovable property or such other security as may be considered necessary and also accept deposits provided, however, that such individuals are eligible for enrolment as members in accordance with the provisions of Act, Rules and these Bye-laws.

- (iv) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any rights or privileges which the Corporation may think necessary or convenient with reference to any of the objects for which the Corporation is established or the acquisition of which may seem calculated to facilitate the realization of any securities held by the corporation or to prevent or diminish any apprehended loss or liability.

- (v) To manage, sell and realize all property, movable and immovable which may come into the possession of the Corporation in satisfaction or part satisfaction of any of its claims.

- (vi) To acquire and hold and generally deal with any property and any right, title or interest in any property movable or immovable, which may part of the security for any loans, advances or which may be connected with any such security

- (vii) To acquire, construct, maintain and alter any buildings or work necessary or convenient for the purpose of the Corporation.
- (viii) To sell, improve, manage, develop, exchange lease, lease, mortgage, dispose of. Turn to account or otherwise deal with all or any part of the property and rights of the Corporation.
- (ix) To employ qualified experts to investigate and examine into the title, conditions, prospects, value character and circumstances of any assets, property or rights
- (x) To inspect the security offered by the members of the Corporation through such persons as may be deputed for the purpose from time to time.
- (xi) To establish and support or aid in the establishment and support of funds calculated to benefit employees or ex-employees of the Corporation or the dependents or in connections of such persona and to grant pensions, allowances, gratuities and bonus and to make payments towards insurance and to subscribe money for charitable or benevolent objects.
- (xii) To invest or deposits funds of the corporation not immediately required in the manner following :-
 - (a) in the Postal Saving Bank; or
 - (b) in any of the securities specified in Section 20 of the Indian Trust Act, 1882; or
 - (c) in the shares or on the security of any other cooperative society provided that no such investment shall be made in the shares of any society other than one with the limited liability; or
 - (d) in the fixed deposit account with the Nationalised Banks; State Bank of India; or
 - (e) in the fixed deposit account with the Delhi State Cooperative Bank Ltd; or
 - (f) in a Cooperative Bank; or
 - (g) in such investment instruments as approved by Reserve Bank of India, the Central Government and the Government of National Capital Territory of Delhi from time to time.
- (xiii) To open branches in the National Capital Territory of Delhi
- (xiv) To negotiate and/ or enter into any scheme or schemes pertaining to financing members of the Corporation, with the Administrator of National Capital Territory of Delhi or any other authority or institution and to work out and administer such scheme or schemes with the condition that the undertaking of such scheme should have prior permission of the Registrar.

- (xv) To remunerate any person, company or society for services rendered, in placing or assisting in placing any of the shares in the Corporation's capital or any debentures or debenture stock of the Corporation.
 - (xvi) With the previous sanction of the Administrator of National Capital Territory of Delhi to acquire and develop lands for the benefit of housing programme;
 - (xvii) To undertake on behalf of the Administrator of National Capital Territory of Delhi the work of financing housing societies and allied activities under any schemes which have been or which may be sponsored on such terms and conditions and may be mutually agreed to;
 - (xviii) To coordinate, guide and supervise the working of the affiliated cooperative housing societies;
 - (xix) To make periodical inspection of the affiliated cooperative housing societies;
 - (xx) To establish contact with the institutions without or within India, carrying on research work in housing sector and to keep the member housing cooperative societies informed about the improvement and research made in the housing by these institutions;
 - (xxi) To become in the construction and building materials like cement, iron marble and bricks etc. with the previous approval of the Administrator of the National Capital Territory of Delhi.
 - (xxii) To deal in the construction and building materials like cement, iron, marble and bricks etc., with the previous approval of the Administrator of the National Capital Territory of Delhi;
 - (xxiii) To undertake housing construction activities as an agent of the Administrator of the National Capital Territory of Delhi.
 - (xxiv) To do all such other things as are incidental or essential to the attainment of the above objects or any of them.
2. **Mission/Vision** : To provide better housing in Delhi through Co-operative movement and to improve the living standard of the people who are residing in Delhi by providing loans at competitive rates.

3. **Brief history and background for its establishment** : DCHFC was promoted by the Government way back in the year 1970 to encourage the concept of Group Housing in Delhi through a Co-operative Venture. This became necessary as a

ban was imposed on Registration of plot holder housing co-operative societies in the year 1961.

At the time of introduction of the scheme of Group Housing, the role model available to the societies was only DDA. In the initial stages, though there was lukewarm response from the people to join the group housing societies, in spite of the fact that the land being offered by the DDA, was only @ Rs.54/- per sq.meter with a density of 50 dwelling units per acre, but the scheme picked up in due course of time.

The scheme could not pick up at desired pace as there was difficulty in providing finance. However, the management of the DCHFC succeeded in getting the first loan of Rs.2 crore from the LIC of India in the year 1981-1982 against the bank guarantee. This release of loan by the LIC to the DCHFC (then DCHFS) has given impetus for activities in the co-operative housing sector in Delhi and a new demand for registration of more societies came up. Second registration was done in the year 1980 and the last in the year 1983-84.

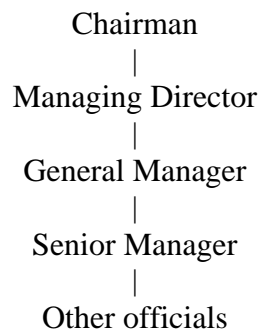
Like other apex Co-operative Housing Finance Institutions, the DCHFC started the loaning operation on all India pattern through a member co-operative societies by executing Loan Agreement and Mortgage Deed of the land of the society as a security for repayment of the loan. This system remained in vogue up to 1992-93. With the economic liberalisation in 1991-92 and the problems being faced with the existing system of giving bulk loan to the societies and irregular recoveries from them, **a new concept of individual loaning was introduced in 1992-93.**

The new scheme was broad-based to finance the members of co-operative group housing societies, the registrants of DDA's allottees and individuals owning plots in the approved colonies. Under the said scheme, the loan is sanctioned to an individual borrower. He is enrolled as a nominal member along with requisite sureties. In the case of co-operative group housing societies, though the loan is sanctioned in favour of individuals by executing Tripartite Agreement by including society also, the loan is disbursed to the society and the recovery is made from the individual. In case of DDA's registrants, payment is made through Bank Draft directly to the DDA; in case of plot holders, payment is made directly to him.

At the time of allotment of land in Dwarka by the DDA, the land prices had gone up substantially. At one point of time there was apprehension that the co-operative movement in Delhi may collapse. The management of the DCHFC evolved a new scheme of Bridge Loan for procuring land by the societies which were offered lands. The Bridge loan for land is given to the extent of 80% of the land cost plus registration and stamp duty charges. This innovative scheme of the DCHFC had given a new lease of life to the co-operative group housing movement in Dwarka.

Board of Directors of the DCHFC in their meeting held on 23.03.2002 have introduced the concept of the floating rate of interest.

4. **Organisation Chart** :- The affairs of the DCHFC are managed by a Board of Directors having strength of 11 Directors nominated by honorable L.G. , GNCTD.



5. **Allocation of business** : DCHFC deals in home loans for the property situated in the NCT of Delhi only

6. **Duties to be performed to achieve the mission** :-

a) Financial Management :- To obtain/receive the maximum yield on the funds.

B) Safety of Funds :- Safety of funds is one of the key factors

c) Timely payment of debts : DCHFC is timely making payment of its debts and has never defaulted in making payment of interest etc. on its borrowed capital.

D) Reduction in cost of capital :- DCHFC is making serious efforts to reduce its cost of capital. LIC loan has been prepaid in full. Premature redemption of bonds is being made.

E) Low administrative expenses : DCHFC is managing its operations with a limited manpower of 31 employees. According to the study, conducted by the National Co-operative Housing Federation of India, administrative expenses of the DCHFC are lowest amongst the other federations in the country.

F) Speedy procedure :- Loan is sanctioned in a speedy manner

7. Loan Application Forms can be downloaded from website of DCHFC www.dchfcdelhi.nic.in

8. **Citizens interaction** :- Since the DCHFC is basically dealing in housing finance sector only within the limited area of operation of NCT of Delhi interaction is only with customers who intend to avail loan or have raised loan from the DCHFC for property in NCT of Delhi.
- 9 **Postal address of the main office, attached/subordinate office/field units etc.**
:Delhi Co-operative Housing Finance Corporation Limited, 3/6, Siri Fort Institutional Area, August Kranti Marg, New Delhi – 110 049
- 10 **Map of office Location** : Enclosed
- 11 **Working hours both for office and public** : Six days a week with 2nd Saturday off between 10.00 a.m. to 5.00 p.m. for both (office and public)
12. **Public interaction, if any** : Since the DCHFC is basically dealing in housing finance sector only within the limited area of operation of NCT of Delhi interaction is only with customers who intend to avail loan or have raised loan from the DCHFC for property in NCT of Delhi.
13. **Grievance redress mechanism** : As per the provision of the Delhi Co-operative Societies Act, Rules and Bye-laws of the DCHFC.