

CENTRAL WAQF COUNCIL

TERMS AND CONDITIONS FOR RELEASE OF LOANS FOR THE DEVELOPMENT OF URBAN WAQF PROPERTIES, 1987

The Central Waqf Council hereby makes the following Terms and Conditions for the administration and regulation of loans given by the Central Waqf Council for the Development of Urban Waqf Properties:-

SHORT TITLE	1.	(a)		These Terms and Conditions may be called “ the Central Waqf Council Terms and Conditions for release of loans for the Development of Urban Waqf Properties, 1987.
		(b)		They shall extend to all areas to which the Waqf Act, 1995(Amended) 2013 applies, and also to such other areas where State Waqf Acts and Charitable Trust Acts are applicable and to such other Areas as are approved by the Council.
		(c)		They shall Come into force at once on being adopted by the Central Waqf Council
DEFINITION	2.			In these Terms and Conditions, unless the context otherwise requires.
		(a)		“ Act” means the Waqf Act, 1995 (Amended) 2013;
		(b)		“ Committee” means the Waqf Development Committee of the Central Waqf Council;
		(c)		“ Chairman” means the Chairman of the Central Waqf Council;
		(d)		“Administrative processing cost” means a sum of money paid by loanee State Waqf or Mutawalli of a Waqf to the Central Waqf Council @ 8% of the loan amount for one time.
		(e)		“Form” means a form appended with these Terms & Conditions.
		(f)		“Government” means the Central Government.
		(g)		“ Loan” means a loan granted by the Council to a State Waqf Board or to the Mutawalli of a Waqf for the development of any specific Urban Waqf Property.
		(h)		“Secretary” means the Secretary of the Central Waqf Council;

OBJECT OF LOAN	3.			Subject to the terms and conditions herein after laid down the Council may grant loans to a State Waqf Board and/ or to the Mutawalli of a Waqf for the purpose of development of Urban Waqf Properties.
ELIGIBILITY AND QUANTUM OF LOAN	4.	(1)		An unregistered Waqf or a Waqf which is indebted or which is not in full possession of the property to be developed, or a Waqf which is, in the opinion of the Council, insolvent or otherwise unsuitable, shall not be eligible to a loan.
		(2)		The loan may be granted under these Terms and Conditions upto 75% of the estimated cost of the project, excluding the value of the land, subject to a maximum of Rs. 10.00 lakh in each case in any one year.
			(a)	Provided that the loan may also be granted in excess of 75% of the estimated cost of the project in special circumstances.
			(b)	Provided further that a loan in excess of the limit of Rs. 10.00 lakhs in each case in any year may also be granted, if the Chairman feels that the project will be completed earlier with more financial assistance.
			(3)	The loan shall be granted for the construction of new building or extension of existing building or for other developmental projects on Waqf Properties for the purpose of augmenting the resource of the Waqf concerned and better realization of its objects.
MODE OF APPLICATION	5.	(1)		Every Mutawalli of a Waqf or the Waqf Board requiring a loan shall submit the scheme of development of a Waqf Property through an applicable as shown in Form I of these Terms and Conditions in Duplicate, and shall enclose therewith the following documents. (In case these are in Regional Language its English translation should be enclosed.
			(a)	Site plan of the land to be developed, indicating boundaries
			(i)	Detailed plan of construction prepared by a qualified Engineer/Architect, duly sanctioned by the Municipal or any competent authority having jurisdiction in the area where the property to be developed is situated.

			(ii)	In the case of other developmental projects a detailed plan prepared by an expert.
		(b)		A project report in a narrative form indicating the brief history of the Waqf, the aim/objective of the development , the details of the proposed scheme alongwith the estimated.
		(c)		Cost of it and anticipated income and its utility.
		(d)		A detailed item wise estimate of cost duly prepared by an Engineer or an expert as the case may be.
		(e)		A detailed statement showing the profitability of the scheme.
		(f)		A statement of the market value of the Waqf Property by an approved valuer.
		(g)		Copies of the documents to establish the title of the borrower to the management of the property.
		(h)		A non-encumbrance certificate from the competent authority or the State Waqf Board.
		(2)		The application of the Mutawalli of a Waqf Shall be submitted to the Council through the concerned State Waqf Board. The Secretary Waqf Board shall ensure onward submission of the application with connected documents alongwith the following:-
			(a)	A copy of the resolution of the Board approving the scheme and of permitting, if necessary, the mortgage of the property under section 51(1) of the Act or recommending specific guarantee for the loans.
			(b)	Permission of the State Government under section 75(1) of the Act to borrow loan if the borrower is the board.
EXAMINATION OF THE SCHEME BY WAQF DEVELOPMENT COMMITTEE	(6)			The Waqf Development Committee of the Council shall examine all such applications with a view to ascertaining that they are viable, profitable and suitable and then give its recommendation on each scheme to the Chairman.
APPROVAL OF THE SCHEME	(7)	(1)		On approval of a scheme by the Chairman the loan may be sanctioned in the name of the Mutawalli or the Waqf Board concerned and the amount of the loan sanctioned may be paid either in lump sum or in instalment.

		(2)		Before the loan amount is advanced, the Mutawalli and/or the Board concerned will jointly sign and agreement with the Council on the terms and conditions of the loan for execution of the project for which loan is granted, in the form as shown in Form II.
		(3)	(a)	Deposit with the Council the title deeds of the property which is to be developed or of other immovable property i.e. belonging to the Waqf or the Board with an undertaking signed on form as shown in Form-III.
			(b)	Furnish a guarantee by the State Govt. or a nationalized or subsidiary Bank or a State Waqf Board.
			(c)	Mortgage immovable property by executing a registered mortgage deed on form as shown in Form-IV.
MODEOF PAYMENT	(8)			Provided that in exceptional circumstances the Chairman may decide to accept any other manner of guarantee as is considered adequate in any specific case.
			(a)	The loan amount will be paid through RTGS/NEFT to the account of the Board concerned.
			(b)	The Board shall deposit the amount of the loan in the account of the project Development Committee when constituted under condition 10 either in full or in part.
TERMS OF REPAYMENT OF LOAN	(9)	(1)		The loan shall be ordinarily repayable to the Council in Ten half-yearly installments, with the moratorium of one year.
		(2)		The loanee concerned shall as a measure or mutual regard for the furtherance of the objectives of Waqfs in general pay administrative processing cost to the Council @ 8% of the loan is to be paid to the Central Waqf Council.
		(3)		The Chairman may grant such moratorium in the payment of donation also as he may deem necessary in the circumstances of any case.
		(4)		The Chairman may extend the time for the payment of instalment due if he considers it necessary in the circumstances on any case.

			(5)	In case three consecutive instalments of repayment of the Principal or two instalments of the amount of the one time administrative processing cost fall in arrears the Chairman may after giving notice to the borrowers to pay the due instalment of principal amount within a period of 30 days of the date of receipt of such notice by the borrowers, declare that the entire balance amount of the principal loan due thereon has become repayable in one lump sum.
			(6)	After the expiry of the period of the final notice under sub-condition 5 above the Council may proceed to take action for the foreclosure of the mortgage or take such other action as it deems proposed for the recovery of the outstanding amount of loan due thereon.
APPOINTMENT OF PROJECT DEVELOPMENT COMMITTEE	(10)	(1)		The Board under intimation to the Council may appoint a Project Development Committee to control and supervise the utilization of the loan advanced as per the plan.
		(2)		The Project Development Committee shall ordinarily consist of the following:-
			(i)	A nominee of the Waqf Board.
			(ii)	A prominent Muslim of the locality.
			(iii)	Mutawalli of the Waqf concerned.
			(iv)	Two experts-one from the field of architecture/Engineering and one from Finance/Administration.
			(b)	The meeting of the Project Development Committee shall be presided over by the Mutawalli of the Waqf concerned or in case the property to be developed is under the direct management of the Waqf Board by the Chairman of the Waqf Board or his nominee, as the case may be.
		(3)		The amount of loan granted by the Central Waqf Council for the scheme shall be kept in a Bank account exclusively opened for this purpose in the name of the Project Development Committee. The drawing and disbursing authority would be jointly vested in two or more members of the Project Development Committee none of whom would operate the account singly.
		(4)		The Board may replace any member of the Project Development Committee with the approval of the Board's Member and other under intimation to the Council by nominating another in his place without assigning any reason thereof.

		(5)		The accounts of the Project Development Committee shall be audited at the close of the month of March every year by a qualified auditor or by a Chartered Accountant and a copy of the audited accounts shall be furnished to the Board and the Council not later than 31 st May of every year.
		(6)		If any declaration of funds or wasteful expenditure is reported by the auditor or comes otherwise to the notice of the Chairman, he may take action as permitted under Sub-condition (5) and (6) of condition 9.
		(7)		The Chairman may at any time, if he thinks it necessary, order an inspection of the account of the Project Development Committee or the Board or both, and may depute any member or members of the Council or its Secretary or any other competent person to carry out such inspection or may direct the State Government to order such inspection.
		(8)		The Chairman may give such direction to the Project Development Committee as may, in his opinion, be necessary for the proper utilization of the funds, and such direction shall be deemed to be part of the agreement.
TRANSFER BY THE BORROWER	(11)			Save as provided under condition 7 no Mutawalli or Board borrowing a loan from the Council shall under any circumstances mortgage or otherwise transfer the property, or any portion of it, being developed without the prior permission of the Council.
TIME FOR COMPLETION	(12)	(1)		Every project for which a loan is advanced shall be completed within such time as may be stipulated in each case.
		(2)		If the proposed project is not completed within the stipulated time, the Chairman, may if he deems it justified, extend the period at his discretion.
				EXPLANATION
				For the purpose of this condition completion of Project would mean utilization of the loan installment of loan advanced i.e., Within three years from the date of release of the loan installment.
		(3)		If no time is extended, or if the extended time has also expired without the project being completed,

				the Chairman may impose a penalty or payment of a sum of money not more than 4% per annum on the balance of the loan unpaid. He may also initiate action for the recovery of the loan as provided under sub-condition (5) and (6) or condition 9.
				Provided the Chairman may exempt any loanee from the levy of penalty or waive the penalty imposed if necessary depending on the circumstances of the case.
IMPLEMENTATION OF THE SCHEME	(13)	(1)		The Project shall be implemented strictly in accordance with the plans approved by a qualified Architect/Engineer/expert.
		(2)		No deviation from the approved plan shall be made without the prior sanction of the Council.
UTILISATION OF ADDITIONAL INCOME ACCRUING FROM THE SCHEME	(14)	(1)		To ensure proper utilization of the additional income from the developed Waqf property, the Mutawalli in consultation with the Board or the Board concerned as the case may be, shall prepare a scheme for such utilization and submit it to the Council for approval.
		(2)		The scheme under sub-condition (1) above shall be based on the following requirement:-
			i)	The Mutawalli will continue to take for himself an amount equal to average amount he was getting as income from the property in the previous three years immediately before the date of the receipt of the first loan from the Council.
			ii)	The Council may further sanction upto 10% of the additional income accruing from the development property for being utilized for the purposes for which the Waqf has originally created.
			iii)	The remaining additional income shall be spent after paying taxes, contribution, maintenance and administration charges, depreciation fund and audit fee, on such educational and social welfare activities as may be conducive to the betterment of the community.
		(3)		After the scheme is approved by the Council it shall form the basis of the annual budget of the Waqf concerned till the scheme is altered or revised with the prior approval of the Council.
CREATION AND UTILISATION OF	(15)			The administrative processing cost @ 8% one time received by the Council from the loanee shall

EDUCATIONAL FUND				be pooled together to constitute an Educational Fund, which shall be a separate head of account under the Waqf Fund and shall be utilized by the Council for educational purposes.
CREATION AND UTILISATION OF REVOLVING FUND	(16)			The amount received by the Council, as repayment instalment of loan shall form a Revolving Fund, which shall be accounted for under a separate head of account under the Waqf Fund and shall be utilized for the development of other Urban Waqf Properties.
OPERATION OF ACCOUNTS	(17)			The Council may by a resolution authorize the Secretary of the Council to operate the account of the Fund mentioned under condition 15 and 16 these terms and conditions.
REMOVAL OF DIFFICULTIES	(18)			If any difficulty arises in giving effect to the provisions of these terms and conditions, the Chairman, Central Waqf Council may be order make such provision not inconsistent with the purposes of these terms and conditions appear to him to be necessary or expedient for removing the difficulty.
SAVING CLAUSE	(19)			All actions taken with regard to release of development loans and their recovering under the Draft Central Waqf Council (Development of Urban Waqf Properties) Rules 1979, shall be deemed to have been taken in accordance with these Terms and Conditions, as if these Terms were in force on the day on which these action were taken.