CONVEYANCE ADVANCE RULES

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1. **RULES**

1. **Purpose of the Advance**
   Advance may be granted to the employees of the Corporation for the purchase of Motor Cars, Motor Cycles, Scooters or Bicycles (for new vehicles only).

2. **Members of the Staff eligible for the Advance**
   Only permanent and full-time employees of the Corporation who have already put in not less than 5 years continuous service will be eligible for an advance for the purpose of a conveyance. In case the number of applications are higher compared to the budget allocation, preference will be given to the employees based on length of services.

3. **Amount of Advance**
   (a)  
   i. Advance for the purchase of Motor cars without extra fittings shall not exceed 75% of the basic price of the car as per invoice value subject to a maximum of Rs.1.65 lacs. Only officers who are drawing a basic pay of Rs.2,650/- and above are eligible for Motor car.
   
   ii. Advance for the purchase of two wheelers without extra fittings shall not exceed 75% of the basic price of the invoice value subject to a maximum of Rs.30,000/-. Employees who have already put in a minimum of 5 years continuous service will be eligible for Motor Cycle/Scooter Advance.
   
   iii. Advance for the purchase of bicycle shall not exceed Rs.1,000/- or the actual cost of the cycle whichever is less.
   
   iv. Special pay and Dearness pay, if any will also be treated as pay for fixing the eligibility of the employee for a conveyance advance. The amount of advance can be based on the officiating or temporary pay when the employee is acting in an appointment or in a grade from which he is not likely to revert till the entire advance with interest is repaid.

   (b) If the actual price paid for the conveyance is less than the advance taken, the balance should be refunded forthwith.

   (c) An employee who has taken an advance will not be entitled to a second advance before the previous advance is fully repaid.

   (d) Employee who purchase Cycle availing loan from the Company will be eligible to avail a second loan for purchasing Scooter/Bike.

4. **Rate of Interest**
   Advance will bear interest 10% per annum. The interest will be calculated and charged on the balance outstanding on the last day of each month, i.e., the balance outstanding after adjusting amounts previously recovered.

5. **Application and Sanction**
   Applications for conveyance advance shall be submitted to the Managing Director in From No.CA-1. The Managing Director may, after ascertaining that all the conditions of these rules are satisfied, sanction the application, if he considers that the employee requires the conveyance. Sanctions shall be issued subject to availability of budget allotment.
6. **Recoveries**

Subject to the provisions of rule 2, recovery will be effected in the following manner:

(1) The principal will be recovered in equal monthly installments by compulsory deductions from the employees’ salary beginning from the month next after that in which the advance was drawn. An employee may repay two or more installments at the same time. The number of installments will be suitably fixed taking into account the total period that the employee has to serve under the Corporation after receiving the advance; provided that the maximum number of monthly installments in which the principal of the advance of each kind is to be repaid should not exceed.

(a) Advance for purchase of Motor Car - 96 installments
(b) Advance for purchase of Motor cycle -72 installments
(c) Advance for purchase of Cycle -20 installments

(i) The recovery of interest should begin from the month next after that in which repayment of the principal is completed. The interest should be calculated on the balance outstanding on the last date of each month. If the total amount of interest to be charged does not appreciably exceed the amount fixed for the equal monthly installments for recovery of the principal, it should be recovered in a single installment: otherwise it should be recovered in installments not exceeding the amount of each principal installment.

(ii) The amount of the monthly installments to be recovered on account of the advance should not be changed by reason of the borrowing employee going on any kind of leave, provided that when the employee is not eligible for any leave allowance, the repayment of installments may be postponed suitably.

7. **Utilisation of the Advance**

(a) The advance sanctioned will be paid only after the Managing Director is satisfied that prior arrangements have been made for the purchase of the conveyance and whenever feasible the purchase price will be disbursed direct to the supplier or seller by the Corporation. The advance should be availed of within a period not exceeding two months of the receipt of communication of sanction of the advance unless otherwise extended by the Managing Director. If the advance is not drawn within the stipulated period, the sanction will lapse. Within one week of the receipt of the advance, the employee should satisfy the Managing Director as to the proper utilization of the advance by producing the Invoice, Receipts etc., obtained for payment of purchase price of the Vehicle, the Registration Certificate and such other papers as may be specified by the Corporation. In case the advance is not actually utilised for any reason within one week of its actual receipt, it should be refunded to the Corporation at the end of the said period with interest at 10% per annum for the period.

(b) The Vehicle purchased with an advance from the Corporation shall not be sold, hypothecated or otherwise alienated nor its possession transferred to others without the prior written sanction of the Managing Director before completing the repayment of the advance with interest. In the case of sale, the sale proceeds should be applied towards satisfaction of the outstanding balance due to the Corporation. If however the conveyance is sold in order
to purchase another conveyance, the Managing Director may permit him to apply the sale proceeds towards such purchase subject to the following conditions:

(i) If the amount of advance outstanding exceeds the price paid for the new Vehicle, the excess should be repaid to the Corporation immediately.

(ii) The employee should continue to repay the amount outstanding in monthly instalments at rates already fixed.

(iii) The new Vehicle should be hypothecated to the Corporation and duly insured as required by these rules, except in the case of Bicycles.

8. **Insurance of the Conveyance**

The conveyance purchased should be duly insured in the joint names of the Corporation and the employee receiving the advance within a period of 15 days of its purchase against full loss by fire, theft or accident and the policy should be handed over to the Corporation. The insurance shall be kept renewed from time to time and the renewal papers produced before the Corporation for perusal. It shall be open to the Corporation to effect renewal at its expense from the employee’s salary in the event of failure on his part to effect renewal promptly. This rule shall not apply to Bicycles.

9. **Security for the advance**

The employee receiving sanction for advance shall, within 15 days execute in agreement in Form No.CA-2 agreeing to the terms and conditions relating to the advance. He shall hypothecate the vehicle within a period of one month of its purchase in Form No.CA-3. The employee shall bear all charges and expenses for the agreement and the hypothecation bond to be executed in favour of the Corporation in connection with the advance received by him. No Hypothecation bond need be taken in the case of Bicycles.

(a) He shall be released from the obligations under the agreement and the hypothecation bond only on payment of the entire advance with interest and other expenses that the Corporation might have incurred on insurance etc. of the conveyance.

(b) In the event of the employee leaving the service of the Corporation before the full advance, interest and other expenses are recovered, he should repay the entire balance due in a lump and for this purpose the Corporation will have the right to adjust all amounts due to him by way of salary, provident fund etc. towards the dues and also to dispose of the vehicle hypothecated to the Corporation for the recovery of whatever balance is to be recovered.

10. **Other Conditions**

The conveyance purchased with the advance should be available for inspection by the Managing Director or other officers of the Corporation authorised by him whenever required and the employee receiving the advance will be responsible for its proper upkeep, maintenance and repairs.

11. **Taxes etc.**

The employee receiving the advance shall be responsible for the timely payment of taxes and other dues to Government and shall surrender to the Corporation
periodically the receipts or other papers evidencing payment of these dues. In the event of failure to do so, it shall be open to the Corporation to remit such dues on behalf of the employee and recover the same from his salary.

12. Default
Breach of any of these terms and conditions will be deemed to be sufficient reason to justify recall of the advance given and for recovery of the entire balance amounts due from the employee on account of the advance by the sale of the vehicle and also by adjustments from amounts, if any, due to the employee from the corporation.

13. Amendment
The Board of Directors of the Corporation reserves the right to modify these rules at any time but the modifications effected will not have retrospective effect.

2. ORDER REFERENCE

1. OFFICE ORDER No. 05/73    dated   12.09.1973
2. -do-                 04/90    “   02.07.1990
3. -do-                 08/90    “   27.11.1990
4. Notice No.AD1/28       “   27.11.1990
5. OFFICE ORDER No. 02/93    “   10.03.1993
6. -do-                 01/97    “   04.03.1997
3. **NOTICE**

**AD1/28**
15.07.2005

Sub:- Conveyance advance for the financial Year 2005-2006 –reg.

1. Applications are invited in the prescribed form for the grant of conveyance advance from the eligible employees of this Corporation including in all the four Units of the Company for the financial year 2005-2006. Those who wish to avail of this advance are requested to submit their application to the H.R.M. Department of respective Units on or before 03.08.2005. The prescribed application blanks can be had from H.R.M. Department of respective Units on request.

2. Permanent employees of the Corporation who have already put in not less than five years of continuous service will be eligible for the above advance. No employee will be eligible for the advance more than once during the entire period of his/her service.

3. Application for the above advance will be considered on the basis of the following criteria:
   - (i) Budget Allotment and availability of fund.
   - (iii) Availability of sufficient amount for recovery from the wages/salary of employees after ensuring a take home wages/salary of 25% as provided under law.

4. Advance for the purchase of two-wheelers without extra fittings should not exceed 75% of the basic price of the vehicle as per invoice value subject to a maximum of Rs.27,000/- (Rupees twenty seven thousand only)

5. Advance for the purchase of Motor Cars without extra fittings should not exceed 75% of the basic price of the Car as per the invoice value subject to a maximum of Rs.1.65 lacs. Only Grade-I Officers are eligible for Motor Car advance.

6. Employees who have purchased bicycle availing loan from the Company will be eligible to avail a second loan for purchasing Scooter/Bike.