50

GOVERNMENT OF ORISSA
FINANCE DEPARTMENT
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Memo No.CA-II-517/80 65138(150)/F.,

Bhubaneswar, the 26th December, 1980

To

All Departments of Government
All Heads of Department.

Sub:- Procedures and guide lines to be observed in the matter of sanction of Motor Cycle/Scooter advances to Government servants.

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In continuation of Finance Department Office Memorandum No.46351 dated 9.9.80 the undersigned is directed to say that it has come to the notice of Government that the provisions/instructions contained in the Orissa General Financial Rules Volume-I/in Finance Department Office Memorandums in regard to sanction of Motor Cycle/Scooter advances are not being meticulously followed by the Departments of Government and Heads of Departments while sanctioning Motor Cycle/Scooter advances in favour of their individual employees. As a result, different discrepancies/irregularities are found creeping in the sanctions issued by them.

With a view to maintaining uniformity in the practice and procedures followed in the matter and avoid consequentional irregularity and audit objections in the matter of sanction of such advances it is considered necessary to briefly re-state the essential provisions of rules and instructions issued from time to time to regulate the Scheme. These provisions/instructions stated here below should be strictly followed by the sanctioning authorities while according sanctions to individual employees.

I) The maximum limit of the advance for purchase of a Motor Cycle/ Scooter is Rs.6,000/- (Rupees six thousand) or the cost of the vehicle whichever is lower. (F.D.Office Memorandum No.18963/F., dt.11.4.79). 8000/-

II) The principal will be recovered in maximum of 60(sixty) consecutive monthly instalments. (Office Memorandum No.162429/F., dt.21.4.75).

The interest on the advance may be recovered in subsequent consequitive monthly instalments not exceeding 8 (Eight) in number.

The loanee may, however, choose to liquidate his liability in fewer instalments.

III) The rate of interest on advances for Motor Cycle/Scooter is 7(Seven) percent per annum. (O.M.No.13922/F., dt.18.3.80).

IV) The sanction order should remain valid for a period of one month from the date of issue of the order (Rule 247 of O.G.F.R.Vol.I)

V) If for good and sufficient reason it has not been possible to draw the advance within stipulated period the sanctioning Authority can issue a fresh sanction order in supersession of the original sanction order. Such orders of revalidation of the sanction may be done within the same financial year in which the original sanction order was issued.

VI) The loanee should execute an agreement in Form O.G.F.R.-19 (O.G.F.R.Vol.II) and furnish the same to the concerned Drawing and Disbursing Officer before drawal of the advance (Rule 246(1) of O.G.F.R.Vol-I).

P.T.O.

19

VII) The Drawing and Disbursing Officer will scrutinise the same and record a certificate of execution of agreement on the Bill and after disbursement of the advance, he should return the Agreement to the sanctioning authority. (Rule 248 of O.G.F.R. Vol.I as amended in F.D. Office Memorandum No.Codes-39/80-27459/F., dated 17.5.80).

VIII) The loanee should execute a Mortgage Bond in Form O.G.F.R.-20 and submit the same to the sanctioning authority within one mon[th] from the date of drawal of the advance.(Rule 249 of O.G.F.R.Vol as amended in F.D. O.M.No.Codes-44/77-14242/F.,dt.24.3.77).

IX) The vehicle purchased with the advance obtained from Government must be insured and reinsured against full loss.(Rule 250(1) and (2) of O.G.F.R.Vol.I).

X) Such insurance should be ~~xx~~ effected within one month from the date of purchase of the vehicle. (Rule 250(1) and (2) of O.G.F.R.Vol.I).

XI) The conveyance mortgaged to Government should not be sold without prior permission of the Government before full liquidation of the loan liability with interest.(Rule 250(4) of O.G.F.R.Vol.I).

XII) Contravention of these instructions will render the loanee liable to refund the whole of the advance with interest accrued thereon (Rule 245 of O.G.F.R. Vol-I).

XIII) The eligibility for sanctioning the advances to individual personnel should be considered on the basis of Rule 253 of the O.G.F.R. as amended in Finance Department O.M.No.52623/F., dt.15.11.79.

XIV) The amount of maximum admissible advance, the manner of recovery of the advance, the rate of interest shall be prescribe[d] by the Finance Department from time to time (Rule ~~253-A~~ 253A-O.G.F.R. as amended in O.M.No.52623/F., dt.15.11.79.)

XV) The mortgage bond furnished by the loanee should be preserved by the sanctioning authority and reconveyed to the loanee, on requisition, only after complete liquidation of the liability in respect of the advance.

Besides, the sanction order should indicate the correct head of account i.e. "Demand No.5-766-Loans to Government servants, etc. - Advances for purchase of Motor Conveyance". The financial year in which the advance sanctioned should be mentioned in the sanction order at Sl.No.5 of the form. A copy of the individual sanction order should invariably be furnished to the Finance Department.

The subordinate offices may please be instructed accordingly.

Biswal 26/12

ASSISTANT SECRETARY TO GOVERNMENT.

Memo No. 65139 (2) /F., Dated. 26/12/80

Copy forwarded to the Accountant General,Orissa,Bhubaneswar/ Deputy Accountant General,Orissa,Puri for information and necessary action.

Biswal 26/12

ASSISTANT SECRETARY TO GOVERNMENT

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