

**INDIA TRADE PROMOTION ORGANISATION**  
**CONVEYANCE ADVANCE (GRANT AND RECOVERY) RULES**

**SANCTIONING AUTHORITIES**

1. Authorities competent to sanction advance for purchase of conveyance to employees shall be those as laid down in the Delegation of Powers from time to time.

**CONDITIONS FOR ELIGIBILITY**

2. The following provisions shall govern eligibility for grant of advances:-

(a) No employee with less than 3 years of service under the Government or Trade Fair Authority of India now ITPO shall be eligible for grant of any conveyance advance;

**Amended vide O/O.No.Admn.900/96 dt. 8.10.96**

1. Minimum 5 years regular service for class-IV employees without any condition of minimum basic pay.

2. in the case of other regular employees minimum 3 years service without any condition of minimum basic pay.

(b) Employees with pay of Rs.1200/- and above shall be eligible for motor car advance;

**Amended vide O.O.No.Admn./2504/2000**

DM and above will be eligible for Motor Car Advance.

**Amended vide O.O.No.Admn./471/2013 dated 13.05.2013**

Sr.Assistant drawing pay of DM and above.

**Note:** The officials drawing basic pay which falls within a higher pay scale shall be entitled to Car Advance to which an officer/official of the higher pay scale is entitled.

(c) Employees in receipt of pay of Rs.300/- p.m shall be eligible for motor cycle/scooter advance;

**Amended vide O/O. No.Admn./623/96 dt.8.7.96**

Employees (Other than Class-IV employees) with pay of Rs. 2680/- p.m. and above shall be eligible for Motorcycle/Scooter advance.

(d) Employees with a pay of less than Rs.300/- p.m. shall be eligible for cycle advance;

**Amended vide O/O. No.Admn./623/96 dt.8.7.96**

Employees with pay less than Rs. 2980/- shall be eligible for cycle advance.

(e) An employee who has taken an advance under these Rule shall not be entitled to a Second advance unless the first advance with interest has been fully repaid. A second advance for purchase of bicycle shall not be granted within 3 years of previous advance for the same purpose.

(f) An advance to Central/State Government servants on deputation to the Organisation shall be granted from the funds of the Organisation. The advance will be sanctioned by the Government or Department concerned and will be subject to the same terms and conditions as would apply if the Government servants were serving directly under Government.

### **MAXIMUM AMOUNT OF ADVANCE**

3. Maximum amount of advance admissible shall be:

(a) For Motor-car –

**Amended vide O.O.No.Admn./1980/2000**

**First occasion:** 16 months pay or Rs. 3 lakh or anticipated price of the car whichever is least.

**Second/subsequent Occasion:** 16 months pay or Rs. 3 lakh or anticipated price of the car whichever is least.

**Amended vide O.O.No.Admn./471/2013 dated 13.05.2013**

**First occasion:**

**Sr.Asstt. to Manager & equivalent:-** 90% cost of the motor car/16 months basic pay or Rs.5 lakhs whichever is less.

**Sr.Manager and above & equivalent:** - 90% of cost of the motor car/16 months basic pay or Rs.8 lakhs whichever is less.

**For old cars:-** For the purchase of the old cars, the ceiling of above will be restricted to Rs.1.75 lakh for Sr.Asstt. drawing pay of DM and above subject to the condition that the vehicle shall not be more than seven (7) years old.

**Second/subsequent occasion:** The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor car shall be restricted to 80% for second time and 70% for third time of the amount of advance OR 13 months basic pay of the employee or the actual cost of the new car, whichever is least, subject to the condition that the earlier advance along with interest has been fully repaid.

(b) For Motor-cycle/scooter—

**Amended vide O.O.No.Admn./1980/2000**

**First occasion:** 8 months pay OR Rs.40,000/- OR anticipated price of the Motor Cycle/scooter whichever is lowest.

**Subsequent occasion:** 8 months pay OR 40,000/- OR anticipated price of the Motor Cycle/scooter whichever is lowest.

**Amended vide O.O.No.Admn./471/2013 dated 13.05.2013**

**First occasion:** The maximum amount of advance of the purchase of a motor cycle/scooter/moped shall be restricted to the authorized dealer's selling price or actual purchase price of the vehicle, whichever is less.

**Second/subsequent occasion:** The second or subsequent advance for purchase of a motor cycle/scooter/moped shall be granted only after a period of four years subject to earlier advance along with interest thereon has been fully repaid.

(c) For Bicycle –

**Amended vide O/O.No.Admn./303/91 dt. 7.5.91**

Rs. 600/- (Rupees six hundred only) or anticipated price of the bicycle inclusive of Sales Tax to be purchased whichever is less. If the actual price of the bicycle which is paid by the ITPO employee is less than the amount of advance sanctioned, he/she shall refund the balance to ITPO forthwith.

## **REPAYMENT OF LOAN**

4. An advance taken under these Rules shall be repaid:
- (a) In the case of car advance is not more than 80 equal monthly instalments;  
**Amended vide O/O No.Admn./624/87 dt. 22.7.87**  
The amount of advance granted to an employee for the purchase of motor car shall be recovered from him in such number of equal monthly instalments as he may elect but not exceeding 200. The employee may, at his option, repay more than one instalment in a month.
- (b) In the case of motor cycle/scooter advance in not more than 60 equal monthly instalments;  
**Amended vide O/O No. Admn./150/91 dt. 25.2.91**  
The advance taken shall be paid in the case of Motor Cycle/scooter in not more than 70 equal monthly instalments.
- (c) In the case of cycle advance is not more than 30 equal monthly instalments.  
**Amended vide O/O. No.Admn./303/91 dt. 7.5.91**  
The amount of such advance shall be recovered in equal instalments not exceeding thirty.

## **INTEREST**

5. (i) The rate of interest chargeable on an advance under these Rules shall be the same as the rates prescribed by the Government of India from time to time for conveyance advances to its employees. Interest shall be recovered after advance has been repaid in full in one or more instalment; each such instalment shall not being appreciably greater than the instalment in which the principal was recovered.
- (ii) The interest shall be calculated on balances outstanding on the last day of each months.

### **Amended vide O.O.No.Admn./1980/2000**

The prescribed rate for Conveyance Advance is 10% per annum.

### **Amended vide O.O.No.Admn./471/2013 dated 13.05.2013**

12% per annum

## **AGREEMENT AND MORTGAGE DEEDS**

6. (i) Except in the case of bicycle advance, an employee before drawing an advance shall execute an agreement on stamp paper of requisite value agreement to hypothecate the vehicle in favour of the Organisation after its purchase and to repay the advance in accordance with the provision of these Rules.
- (ii) Except in the case of bicycle advance, an employee taking the advance shall execute immediately after purchase of the vehicle a mortgage bond hypothecating the vehicle to the Organisation as security for repayment.

## **INSURANCE**

7. (i) An employee taking advance for the purchase of motor car/motor cycle/scooter shall get the vehicle insured immediately on purchase against

loss by fire, theft or accident by taking a comprehensive policy which shall also cover third party risks. The employee shall renew the policy every year until the advance with interest has been fully repaid.

(ii) The amount for which the motor car, motor/scooter is insured shall not be less than the outstanding balance of advance with interest.

(iii) The Organisation shall be shown as interested party in the policy of insurance.

#### **EVIDENCE OF PURCHASE etc.**

8. An employee taking advance shall furnish to the Organisation within one month of drawal of advance cash receipt evidencing purchase of conveyance. In the case of advances for purchase of motor car, motor cycle/ scooter, the employees taking advance shall also furnish insurance policy and registration book of the vehicle within one month of drawal of advance.

#### **RESALE OF VEHICLE:**

9. Motor-car/motor-cycle/scooter purchased with advance shall not be sold, transferred, mortgaged or otherwise disposed of without approval of the sanctioning authority. In case of such sale the sanctioning authority may also permit an employee to utilise the sale proceeds of purchasing of another vehicle.

#### **REFUND ON FAILURE TO PURCHASE**

10. (i) Where an employee after taking advance is unable to purchase the vehicle for any reason, he shall refund within one month of drawal of advance the full amount with interest thereon to the Organisation. If he fails to do so, he shall be liable to disciplinary action for misconduct in addition to liability for repayment of additional interest.

(ii) Where an amount of advance is retained by an employee beyond one month or where the employee fails to produce evidence of purchase, insurance policy or registration book, the normal rate of interest under Rule 5 will be charged for the first month and for the period in excess of one month in addition to the normal rate of interest, additional interest at a rate equivalent to difference between the borrowing rate of the Organisation and the normal rate chargeable under Rule 5 will be charged. The additional rate of interest will be compound interest and it will be merged with the principal at monthly intervals for the purpose of calculating interest for subsequent periods.

11. (i) Second or Subsequent advance for the purchase of Motor Car/Motor Cycle/ Scooter will be admissible only after a minimum of 3 years from the date of drawal of last advance. This restriction of 3 years will not apply in cases:

#### **Amended vide O.O.No.Admn.1980/2000**

Second or Subsequent advance for the purchase of Motor Car/Motor Cycle/ Scooter will be admissible only after a minimum of 5 years from the date of drawal of last advance. This restriction of 5 years will not apply in cases:

(a) Where an advance had been allowed earlier for the purchase of a Motor Cycle/Scooter but the subsequent advance is desired for purchase of a Motor Car.

- (b) Where an employee disposes of his Motor Car in India prior to his posting abroad or deputation on training abroad lasting more than one year and returns to India without a motor car; and
- (c) Where an employee is posted abroad and disposes of his car in India.

(ii) The amount of advance to be granted on second or subsequent occasions will be restricted to the difference between the price of Motor Car/Motor Cycle/ Scooter to be purchased and the sale proceeds left over with the employee after repayment of earlier outstanding advance, if any, subject however to the maximum limits specified in Rule 3.

### **DRAWL OF ADVANCE AFTER PURCHASE**

- 12. An employee may be permitted to draw advance for the purchase of Motor Car/ Motor Cycle/ Scooter/ bicycle within 3 months of its purchase provided he had applied for advance before purchase and advance could not be sanctioned for administrative reasons.
- 13. "Pay" wherever occurring in these Rules shall mean and include basic pay, dearness pay, special pay and personal pay.

### **Circular No.20/78 dt. 12.5.78**

Under the TFAI Conveyance Advance (Grant & Recovery) Rules, the following Procedure is laid down for sanctioning of advance for purchase of Motor Vehicles including Scooter, Motor Cycles, Moped and Motor Cars etc.

- 1. Eligibility : For the purpose of Rule 2 a) the following categories of employees will be eligible for grant of advance :
  - a. Permanent employees of the erstwhile DECP who joined TFAI with effect from 1.3.1977.
  - b. Temporary employees of erstwhile DECP/IITFO/ICTFE who were transferred/re-employed in TFAI with effect from 1.3.1977 but have rendered continuous service of 3 years or more. This does not, however, apply to those who rendered service against ad-hoc posts sanctioned for a particular project or on daily wages.
  - c. TFAI employees with continuous service of 3 years or more in the TFAI.

Persons falling under category (b) above will however be deemed to be 'Temporary' for the purpose of these rules and will have to submit a 'Surety Bond' as detailed in the succeeding paragraph.

- 2. Application: Applications on prescribed proforma (available from Estt.I Section) will be submitted to Estt.I. Section duly completed together with the following documents:
  - a. Surety Bond -- (on non-judicial stamp paper of the value of Rs. 10/-). All employees defined as temporary above will submit a Surety Bond from a permanent employee of the TFAI. The specimen text of the Surety Bond is available in Estt.I Section. Persons holding substantive post at least in the pay scale of Rs. 425-700 and Rs. 700-1300 are eligible to stand Surety for the purchase of Scooters including Motor Cycles, Mopeds etc. and Motor Cars respectively. For the purpose of standing surety, persons confirmed in the

Govt. of India and who have been absorbed in the TFAI are to be deemed as 'permanent' employees of the TFAI.

b. An agreement to be signed before the drawal of the advance on a non-judicial stamp paper of the value of Rs. 2/-. The text of this agreement is also available in Estt.I Section.

3. On the receipt of these documents, Estt.I Section will process the individual cases and issue sanction order for grant of an advance.
4. After the purchase of the vehicle, the Loanee will be required under the Rules to :
  - (i) purchase of the vehicle within one month of the receipt of the advance. (Rule 8)
  - (ii) will get the vehicle insured immediately on purchase against loss by fire, theft or accident by taking comprehensive policy which will also cover third party risks. The comprehensive policy will be renewed every year until the advance with interest has been fully repaid - Rule 7(1)
  - (iii) will ensure the vehicle for an amount not less than the outstanding balance of advance with interest - Rule 7(2).
  - (iv) The Author shall be shown as interested party in the policy of insurance -- Rule 7(3).
  - (v) The Loanee shall immediately after the purchase of the vehicle execute a Mortgage Bond hypothecating the vehicle to the Organisation -- Rule 6(2). The hypothecation Bond (text available in Estt. I Section) will be signed on a non-judicial stamp paper of the value of Rs. 2/- and shall be attested by a Notary Public.
  - (vi) The Loanee shall furnish to the Organisation within one month of the drawal of advance the following documents :-
    - (a) Cash-receipt evidencing the purchase of vehicle
    - (b) Insurance policy as stated above.
    - (c) Registration Book-of the Vehicle -- Rule 8.

**General :** The vehicle intended to be purchased as indicated in the application will not normally be allowed to be changed. All expenditure on the purchase of stamp papers etc. will have to be borne by the Loanee. All employees who have already drawn advance for purchase of Motor vehicles are required to fulfill all the requirements mentioned above within one month of the date of the issue of this Circular.

**INDIA TRADE PROMOTION ORGANISATION**  
**APPLICATION FOR ADVANCE FOR THE PURCHASE OF MOTOR CAR/MOTOR**  
**CYCLE/SCOOTER/AUTO CYCLE**

1. Name of the applicant ( in Block letter ) ::
2. Applicant's Designation. ::
3. (a) Whether permanent or not ::  
(b) Length of service in ITPO Govt. of India.
4. Stationed at ::
5. Pay
  - i) Substantive pay ::
  - ii) Offg. Pay or pay drawn in a temporary post. ::
  - iii) Special/personal pay ::
6. Anticipated price of the Motor Vehicle (Car, Motrocycle, Scooter, Auto Cycle) Price -  
Brand -
7. Amount of advance required ::
8. Date of superannuation or date of expiry of contract in case of a contract officer. ::
9. No. of installments in which in which the advance is desired to be repaid. ::
10. Whether advance for similar purpose was obtained previously and if so
  - i) date of drawal of advance ::
  - ii) the amount of advance and or interest thereon still outstanding, if any ::
  - iii) Whether he still owns a vehicle and if so, its particulars ::

11. Whether the intention is to purchase ::
- (a) A new or an old motor car/motor cycle/scooter/ Auto cycle etc.
  - (b) If the intention is to purchase the motor vehicle through a person other than a regular or reputed dealer or agent, whether previous sanction of the competent authority has been obtained
12. Whether the officer is on leave or it about to proceed on leave.
- a) The date of commencement of leave, &
  - b) The date of expiry of leave.
13. Are any negotiations or preliminary enquiries being made so that delivery may be taken of the motor car/motorcycle/scooter/Auto cycle etc. within one month from the date of draw of the Advance.

Applicant's Signature\_\_\_\_\_

Date \_\_\_\_\_ Tel.No. \_\_\_\_\_

Section\_\_\_\_\_

Residential Address\_\_\_\_\_

\_\_\_\_\_

The application will before drawing the advance, execute an agreement on stamp paper (Non-judicial, value Rs.2/-) agreeing to hypothecate the vehicle in favour of ITPO after its purchase and to repay the advance in accordance with the rules.

The application is to be submitted by officers through their next higher officers, and other through their Branch Officer (not below the rank of Deputy Director or equivalent, who will give the following certificate :

Certified that :-

1. In my opinion, it will be useful to the service of the Organisation if the employee possesses the conveyance in question for the performance of this official duties, and
2. I am certified that he/she has the capacity to repay the advance.

Signature of forwarding officer

Name \_\_\_\_\_

Designation \_\_\_\_\_