

LOANS AND ADVANCES  
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**General instructions**

221. The following general instructions apply to all loans falling under this head and the conditions on which the loans are granted should be framed in accordance with them:-

**Interest**

(i) Interest should be charged at the rate prescribed by the Government for the class of loans concerned. It should be charged for the day of advance but not for the days of repayment. For a period of less than a complete half-year, the interest should be calculated as the

number of days

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at the yearly rate of interest. For a period of more than a half-year but less than a year half the yearly interest should be charged in respect of the completed half-year together with interest for the remaining period of less than a half-year calculated as above. In the case of "Advances to cultivators" however, the interest for a period of less than a year should be calculated by taking the calendar month as the units, periods of fifteen days or more in a calendar month being treated as one calendar month and periods of less than fifteen days being ignored.

**Repayment**

(ii) (a) The borrower should be required to repay the loan in full within a specific term, which should be as short as possible by paying the appropriate fixed instalments not later than the dates prescribed by the Government or other competent authority. The term should run from the

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date on which drawal of the loan is completed, unless the Government (or other competent authority) declare the loan closed with effect from an earlier date in which case it should run from that date. The amount of each instalment to be repaid by the borrower should be rounded to the nearest rupee, except in the case of the last instalment where the amount will be rounded to the nearest five paise.

(b) If a borrower draws a loan in instalments and is required to repay it by half-yearly instalments for which no specified half-yearly dates are fixed when the loan is sanctioned, he should be required to make the first regular half-yearly payment six months after the date from which the term of the loan runs and simple interest only should be charged on that date for the period prior to it.

If specified half-yearly dates are fixed for the payment of the half-yearly instalments when the loan is sanctioned the borrower should be required to make the first regular half-yearly payment on the second of those half-yearly dates after the date from which the term of the loan runs, and simple interest only should be charged on the first half-yearly date. For example, if the drawal of a loan is completed on the 31st March and the instalments are payable half-yearly on the 30th June and 31st December the first regular half-yearly instalment should fall due on the 31st December following and simple interest only should be charged on the 30th June.

If a borrower unduly delays the completion of the drawal of a loan the matter should be reported to the Government or other competent authority with a recommendation that the loan be declared to have been closed as from a suitable specified date. The Accountant-General watches the recoveries relating to each

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individual loan included in any of the following classes of loans mentioned in Article 220:-

Items (a), (b), (c), (d) and the portion of (g) relating to loans to local bodies to cover revenue deficits.

He should report to the Government any undue delay in completing the drawal of any such loan payable in instalments, whether dates have been fixed for the drawal of instalments or not. The departmental authorities concerned should take necessary action in regard to undue delay in completing the drawal of any other loan payable in instalments.

This instruction applies *mutatis mutandis* to loans repayable by instalments other than half-yearly instalments.

(c) Any amount paid by a borrower in advance when no instalment or part of an instalment is due should be credited to the next instalment, first to the extent necessary towards interest and then to principal as if it were paid on the due date, unless a different procedure is prescribed for special reasons in any particular case or class of cases.

(d) The instalments towards the repayment of loans and advances granted by the Government, which fall due on public holidays should, in cases not otherwise specifically provided for, be paid into the treasury on the working day immediately preceding the holiday. This will not affect payments which are made by book adjustment.

**Defaults in payment**

(iii) (a) The Accountant-General should report promptly to the Government any failure by a borrower to pay on the due date a payment due under

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a loan included in one of the classes of loans which he watches individually - See sub-clause (b) of clause(ii) above. The departmental authorities should take necessary action immediately in regard to any default in making a payment due under any other loan. They should bear in mind the fact that a loan repayable with interest by equal periodical instalments will not really be fully discharged by the instalments unless each is paid punctually on the due date.

(b) The authority which sanctions a loan should ordinarily lay down to the order of sanction a penal rate of compound interest to be charged on any payment due by the borrower on account of the loan which is not received by the due date and should ordinarily actually levy interest at the rate on any such payment which is not received by the due date.

The recovery of penal interest should not be enforced if the penal interest payable is rupee one or less. In case where the annuities are paid by the borrower on or before the due dates but are adjusted after the due dates by the Treasuries, no penal interest should be recovered.

**Modification of original terms**

(iv) Every borrower should be required to fulfil strictly the terms settled when his loan was sanctioned. No Government servant should recommend to the Government or other competent authority a change in the original terms for the benefit of a borrower unless there are very special and exceptional grounds for doing so.

**Loans to municipalities and to district and other  
local fund committees**

222. The detailed procedure to be followed in connection with borrowing by local authorities both

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from the Government and otherwise is laid down in the Madras Local Authorities Loans Rules, 1937 (see Appendix 16). Article 204 contains certain rules relating to the execution of works by the Public Works Department on behalf of local bodies out of loan funds sanctioned by the government.

**Advance to Cultivators**

223. Advances to cultivators include -

(i) advances made under the Madras Land Improvement and Agriculturist Loans (General) Rules, 1933;

(ii) advances made under the Madras Land Improvement and Agriculturists' Loans (Pumping Installations and Agricultural Machinery or Plant) Rules, 1933;

(iii) advances made under the Madras Agriculturists' Loans (Relief of Indebtedness) Rules, 1938; and

(iv) any other advances made to cultivators in connection with any revenue, agriculture or famine under any Act of the Legislature or under any order of the Government.

The Board of Revenue controls these loans and the detailed rules and instructions regarding items (i) and (ii) above are contained in the Madras Loans (Takkavi) Manual.

**Advances under special laws**

224. Advances under special laws include at present only advances sanctioned by the Government under the Madras State Aid to Industries Act, 1922 (Madras Act of 1922) and the rules framed under it.

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Certain Officers of the Industries Department have, however, been empowered to sanction loans under the Madras Small-Scale and Cottage Industries Loans and Subsidy Rules, 1956 - *Vide Appendix 15.*

**Miscellaneous loans and advances**

225. Loans (Other than loans to Government servants) which do not fall strictly under any of the other classes mentioned in Article 220 come under this head, e.g., loans for the acquisition of house-sites for members of the communities eligible for help by the Adi Dravidar Welfare Department, loans to co-operative societies and banks and loans to local bodies to cover deficits. The grant and repayment of these loans are governed by the general principles laid down in Article 221, and the detailed orders issued by the Government from time to time. A Government servant who is concerned with any category of loans falling under this head should keep an up-to-date file of the orders in force regarding them.

225-A. The Departmental Officer authorised to issue "loans" or "advances" and who is required to maintain the initial accounts therefor is responsible for the monthly reconciliation of the figures in respect of each head of account which he enters in his registers and returns. For this purpose, the District Officer or the Principal District Officer of the department concerned should arrange to reconcile monthly, his departmental figures with those shown in the *plus* and *minus* memoranda maintained separately for each head of account by the Treasury Officer, in the manner indicated for the reconciliation of transactions relating to "Advances to cultivators" - *Vide* local ruling 3 under Article 90 of the Tamil Nadu Account Code, Volume II. The head of the department should watch that the reconciliation is effected by his subordinate officers in the district without fail. The head of the department will then consolidate

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the figures for the whole State and for the whole year, reconcile them with the closing balance according to the books of the Accountant-General (which will be communicated to him by the Accountant-General, a month after the accounts of the Accountant-General for the year are finally closed) and furnish to him the certificates accepting the balance.

The provisions continued in this Article apply also to advance to Government servants like cyclone advances, etc., in respect of which the departmental officers are required to maintain the initial accounts.

II - LOANS TO GOVERNMENT SERVANTS

General

Classes of loans

226. The following interest-bearing advances are included under this head:-

- (A) Advances for the purchase of motor cars;
- (B) Advances for the purchase of other conveyances;
- (C) Advances for the purchase and construction of houses; and
- (D) Other advances.

The Government grant these advances to the servants in accordance with the rules contained in Articles 227 to 235-A.

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## General principles

227. The following general principles and conditions apply to these advances:-

(1) No authority may sanction any advance if it would involve a breach of a standard of a Financial propriety (Article 3).

**Government servants to whom advances may be granted**

(2) As a general rule no advances should be granted to any Government servant unless he is in permanent service since the pay of a non-permanent Government servant is not adequate security for the repayment of an advance. The Government may, however, sanction an advance to an officiating Government servant who is an approved probationer in a service and is not likely, so far as can be foreseen at the time, to be ousted subject to the rules applicable to advances to that kind and to the following further conditions:-

(i) No such advances should be granted for the purchase of a conveyance other than a motor car or motor cycle, unless a personal security bond is furnished in Form 11 duly executed by the borrower together with a permanent Government servant drawing a pay not less than that of the borrower as surety guaranteeing the repayment of the advance.

(ii) The number of monthly instalments by which repayment is to be made should, when necessary with reference to all the circumstances including the period for which the temporary post is sanctioned, be fixed at a suitable number lower than the permissible maximum.

An authority subordinate to the Government that is competent to sanction an advance to a permanent Government servant under Article 228 or



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Article 254 may also sanction such an advance to an officiating Government servant, subject to the conditions laid down above for advances by the Government to an officiating Government servant.

Exception: I.A.S., I.P.S., and I.F.S. Probationers may be sanctioned advances for the purchase of Motor Car.

NOTE - The term approved probationer in a service under Government (whether it is a subordinate service or a State service) is not necessarily in the post in which he comes eligible for the advance. In the case of Government servants drawing the advance in higher officiating or temporary posts, the sanctioning authorities shall use their discretion in sanctioning the advance only to such of those who are not likely to be ousted or reverted to lower posts, or where reversion to lower posts may not create difficulties in recovering the advance.

## Interest

(3) Simple interest should be charged at the rate fixed by the Government from time to time.

NOTE - The Sub-Inspectors and Inspectors of Police are exempted from payment of interest on advances granted to them for purchase of motor cycles under Article 231.

## Repayment

(4) (a) The principal of an advance should be recovered in equal monthly instalments by compulsory deductions from the pay of the borrowing Government servant, beginning with the first payment of full month's pay after the advance is drawn provided that a borrower may repay two or more instalments at the same time. The amount of the monthly instalments of recovery other than the

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last should be fixed as follows and the last instalment to be recovered will be the remaining balance including any fraction of a rupee:-

|         |  |    |  |
|---------|--|----|--|
| (A) (i) | Advance for the purchase of Motor Car (New)                        | -- | 200 monthly instalments  |
| (ii)    | Advance for the purchase of Motor Car (Secondhand)                 | -- | 170 monthly instalments  |
| (iii)   | Advance for the purchase of Motor Cycle (New)                      | -- | 60 monthly instalments   |
| (iv)    | Advance for the purchase of Motor Cycle (Secondhand)               | -- | 50 monthly instalments   |
| (v)     | Advance for the purchase of Scooter (New)                          | -- | 60 monthly instalments   |
| (vi)    | Advance for the purchase of Scooter (Secondhand)                   | -- | 50 monthly instalments   |
| (vii)   | Advance for the purchase of Moped (New)                            | -- | 50 monthly instalments   |
| (B)     | Advances for the purchase of conveyances not included in item (A). |    | In a maximum of 40 monthly instalments   |
| (C)     | Advances for the purchase and construction of houses.              |    | Principal in not more than 180 instalments and interest in not more than 60 instalments. |

NOTE:- When the pay or leave salary bill of a Government servant for a month is presented and

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drawn after the due date for administrative reasons or for want of pay slip from audit office, deductions made on account of repayment of an advance from such pay or leave salary bills will be deemed to have been made in the month following the month to which the pay or leave salary of the Government servant relates irrespective of the actual date of its drawal.

In respect of all interest bearing advances sanctioned to the Non-Gazetted Government Employees, the responsibility for the calculation of interest shall rest with the Heads of Offices. The correctness of the interest recovered will, however, be checked by the Accountant-General in post audit.

The recovery of interest should begin with the pay of the next month after the repayment of the principal is completed. The interest should be calculated on the balance outstanding on the penultimate working day of the month of each month. If the total amount of interest to be charged does not appreciably exceed the amount fixed for equal monthly instalments for recovery of the principal it should be recovered in a single instalment, otherwise it should be recovered in instalments not appreciably exceeding that amount.

NOTE:- When the pay and allowances for a month are disbursed before the end of a month an instalment in repayment of an advance recovered through the pay bill will be taken as having been recovered on the first day of the following month the normal date of disbursement of pay.

(b) Unless otherwise provided in the rules applicable to advances of a particular kind, the amount of the monthly instalments to be recovered on account of an advance should not be changed by reason of the borrowing Government servant's going on any kind of leave with leave salary or his

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drawing subsistence grant. In special circumstances, the head of the department may recommend that the Government shall reduce the monthly instalments in a particular case for the duration of the period during which the borrower does not draw pay. The whole amount due should, however, always be completely recovered within the period originally fixed unless, for exceptionally strong reasons the Government sanction a special extension of that period.

If an advance is granted to a Government servant who is due to retire or whose services are likely to be terminated within the maximum period prescribed for its repayment, the number of instalments shall be so regulated that the repayment of the advance with interest, if any, is completed before retirement or termination of service as the case may be. Where the provisions of Article 58-A apply in respect of any outstanding advance, no interest should be charged in respect of the period beyond the date of retirement etc. of the Government servant and the amount of advance thus adjusted in the Death-cum-retirement gratuity.

(c) The head of the office or a Government servant to whom the head of office has delegated powers of drawing establishment pay bills, shall maintain three registers, viz., Loan Sanction Register, Individual Loan Register and Loan Recovery Register in Forms 23-B, 23-C and 23-D respectively to record sanction and recovery of all loans to Government servants.

Entries in the loan Sanction Register in Form 23-B should be made at the appropriate stages whenever a loan is sanctioned to a Government servant, irrespective of the nature of the loan. Simultaneously entries should be made in the Individual Loan Register in Form 23-C which is a record of all loans sanctioned to a particular individual and in the Loan Recovery Register in form 23-D.

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The Loan Sanction Register and the Individual Loan Register will be common to all loans. The Loan Recovery Register in Form 23-D is to be used for short term loans only. In respect of long term loans such as Advance for House Building, Marriage and Car/Scooter, the Loan Recovery Registers in Form 23-E and Form 23-F should be used.

The Officer who disburses the advance is also responsible to watch and effect recoveries. As and when recoveries are made entries shall be made in the relevant Loan Recovery Registers with proper attestation. The instruction contained in the respective forms should be very carefully studied and followed. These Registers shall be verified whenever a Last Pay Certificate is issued. The registers shall be reviewed by the Head of office at least once a month to ensure outstanding items. In token of review, a memorandum of check must be put up in the front page of each register.

When a Government servant is transferred, full details of the pending loans shall be noted in the Last Pay Certificate. The Government servant concerned while joining in the new office shall be required to furnish a written declaration giving in detail, the loan and advances obtained by him, the instalment number and the amount paid upto last payment in respect of each loan and advance.

The departmental drawing officer shall send a statement of the monthly figures of debits and credits under each categories of the loan advance to the subordinate controlling officer (i.e.) District Reconciliation Officer in the proforma in Form 23-G.

The District Reconciliation Officers shall reconcile the debits and credits of the loan-wise figures received from the drawing officers under them with Treasury figures before they forward the same to their Chief Controlling Officer (i.e.)

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Heads of Department, by 20th of the succeeding month. The provisions contained in paras 122 to 127 of the Budget Manual and the Article 225 A ibid shall be scrupulously observed for reconciliation of Departmental figures with Treasury figures. A copy of the statement sent to the head of department should also be sent to the Accountant-General, Tamil Nadu.

The Head of Department (i.e.) the Controlling Officer shall watch that the reconciliation is effected by his subordinate officers at the District level without fail.

The difference, if any, between the departmental figures and the Treasury figures should be reconciled, while furnishing the statement for the following month. The Chief Controlling Officer (i.e.) the head of department shall consolidate the figures for the whole State and reconcile them with the ledger figures maintained by the Accountant-General monthly. The Head of the Department will be held personally responsible for obtaining the Departmental figures and for reconciling them with the Accountant-General's figures.

After the accounts for the year are finally closed, the head of the department shall get an annual certificate of balance under each advance, from all the disbursing and subordinate controlling officers under him in Form 23-H, consolidate the total debits and credits in respect of each category of advance and agree them with those of the Accountant-General and issue the certificate of acceptance of balance to the Accountant-General, Tamil Nadu.

NOTE:- The cheque drawing officers (viz.) Forest, Public Works Department, Highways, etc. should also follow the procedure "Mutatis Mutandis".

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(d) In the cases of advances sanctioned to non-self drawing officers i.e. officers on scale of pay the minimum of which is less than Rs.1000/- and in whose case no pay slip is issued by the Accountant-General, the authorities competent to sanction conveyance advances may release the mortgage deed after satisfying themselves of the recovery of principal and interest without calling for "No Demand Certificate" from the Accountant-General and after obtaining undertaking from the Government servant concerned for the recovery of the balance amount, if any, from their pension and death-cum-retirement gratuity. In respect of the loan advances sanctioned to the self-drawing officers, the "No Demand Certificate" should be obtained from the Accountant-General before the release of the mortgage deed.

**A AND B ADVANCES FOR THE PURCHASE OF CONVEYANCES**

(i) GENERAL  
**Sanctioning authority**

228. The Heads of Departments mentioned in Appendix I of the Tamil Nadu Financial Code, Volume II, may sanction advances for the purchase of conveyances to the Government servants under their respective control, subject to the principles and conditions laid down under Articles 227 and 229 to 232. The Government will be the authority to sanction advances to Heads of Departments. Recommendations for grant of advances to Government servants in relaxation of these provisions will also be dealt with by the Government and sanction of advances to Government servants other than Heads of Departments will in such cases be accorded by the Heads of Departments concerned if the recommendations are accepted by the Government.

**Exceptions (i) -** The Collectors of districts may sanction bicycle advances to Gramasevaks and other non-Gazetted staff under their control.

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(ii) The Deputy Secretary (Establishment) to Government, Finance Department, the Under Secretary (Administration) to Government, Public Department and the Under Secretary (Establishment) to Government, Rural Development and Local Administration may sanction bicycle advances to all non-Gazetted Government servants of Finance Department, Public Department and Rural Development and Local Administration Department respectively.

**Procedure for sanction**

229. Every application for an advance from the holders of posts in mofussil should be routed through the Collectors or Heads of Department who will scrutinise the application with reference to rules and if the application satisfies the conditions for the advance, they will address the Director of Treasuries and Accounts, Madras for remarks as to whether funds are available. The Collectors and the Heads of Departments should certify on the application that they have scrutinised the applications with reference to rules and that they have satisfied themselves that the applicants are eligible for the advance. In respect of city posts the respective Pay and Accounts Officers will certify to the eligibility and submit the applications to the Director of Treasuries and Accounts, Madras for furnishing certificate of availability of funds. The Director of Treasuries and Accounts may revalidate the certificate of availability of funds already issued by him for a further period of two months from the date of revalidation with a view to mitigate the hardship to the applicants who are not responsible for non-drawal of advance within the stipulated time. The reports of availability or otherwise of funds will be furnished by the Director of Treasuries and Accounts, Madras to the sanctioning authority with a copy to the Pay and Accounts Officers/Treasury Officers concerned.



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The sanctioning authority should specify in the sanction order a date by which the advance should be drawn, which should be not more than two months later than the date when the Director of Treasuries and Accounts certified that funds were available. The sanction order lapses if the advance is not drawn by the specified date.

All sanctioning authorities should intimate to the Director of Treasuries and Accounts promptly, all cases where the applications for advances are rejected or withdrawn after his certificate of availability of funds was obtained and where advances could not be drawn within two months from the date of certificate of availability of funds, so as to enable him to increase the balance of the appropriation available for allotment to other applicants for advances according to the priority list maintained by him.

NOTE:- The application for grant of advance for warm clothing need not be referred to the Accountant-General under this Article.

**(ii) Advances for the purchase of motor cars**

230. These advances are sanctioned subject to the provisions of Article 227, 228 and 229 and the following rules:-

**Eligibility of Government servants for an advance**

(a) A Government servant is not eligible for an advance unless the Government or the Heads of Departments specified in Appendix I of the Tamil Nadu Financial Code, Volume II consider that it is desirable in the interests of the public service that he should use a motor car in the discharge of his duties in India. Only Officers whose basic pay is Rs.3,700 or more are eligible for sanction of

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loan for new cars. Only Officers whose basic pay is Rs.3,000 or more are eligible for sanction of loan for purchase of secondhand car.

NOTE:- 1 District and Sessions Judges will be considered as holding posts which entail duties involving touring.

NOTE:- 2 No advance should be granted to a Government servant who already possesses a Motor Car purchased from and out of an advance granted by Government and gives it away as gift to near relatives. Also no advance should be granted when a previous advance is outstanding.

Conditions on which an advance is granted

(b) The grant of an advance is subject to the following conditions:-

(1) (a) Except in the case mentioned in condition (3), clause (ii) below, a Government servant is not eligible for an advance on account of a motor car of which he has already taken delivery in India when he submits his application for an advance.

NOTE:- 1 If a Government servant on duty in India who has applied for an advance from the Government has a favourable opportunity of buying a suitable car, he may take delivery of it in payment of the whole or any portion of its purchase price to be recouped later from the advance already applied for if and when the Government or the Heads of Departments mentioned in Appendix I of the Tamil Nadu Financial Code, Volume II sanction it.

NOTE:- 2 The Government servant who having applied for the advance for the purchase of a conveyance as admissible under the rules could not be sanctioned such an advance due to non-availability of funds or in whose case due to

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anticipated delay in sanctioning the advance, there is an obvious need for raising temporary loans to purchase the conveyance, should obtain prior permission from the prescribed authority under the relevant conduct rules applicable to him for raising a temporary loan to meet the expenditure on the purchase of conveyance and if this authority is different from the advance sanctioning authority he should keep the sanctioning authority informed of the permission obtained under the conduct rules.

(b) Advances for the purchase of Motor Cars and Scooters shall be sanctioned only on production of written evidence to show that an allotment has actually been made by the Government to the applicant; and

(c) That in cases where advance is asked for, for the purchase of a vehicle outside Government Quota, clear evidence should be insisted upon that the dealer has earmarked a vehicle for the applicant from his private sources before an advance is sanctioned.

(2) An advance should not exceed -

(i) Rs.80,000 or 35 months basic pay or the anticipated price of the new motor car to be purchased whichever is less.

(ii) Rs.48,000 or 35 months basic pay or the anticipated price of the *second hand motor car* to be purchased whichever is less.

NOTE:- The term "actual price" includes the expenditure on repairs and renewal on the motor cars and the items which have necessarily to be purchased along with the motor car, e.g., spare wheel, tyre and a tube but does not include insurance and registration charges and the cost of additional accessories, fittings, etc. The time limit for carrying out repairs and renewals is one

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month from the date of purchase of the car. The stamped receipt for repairs and renewals should be sent to the Director of Treasuries and Accounts through the Head of the Department.

(3) (i) When the Government or the Heads of Departments mentioned in Appendix I of the Tamil Nadu Financial Code, Volume II sanction an advance to a Government servant who is on leave in India, Ceylon, Nepal, Burma or Aden, or about to proceed on such leave, he is not allowed to draw it earlier than a week before the expiry of his leave.

NOTE:- 1 Notwithstanding anything contained in this article, a Government servant may be allowed to draw the advance sanctioned to him at any time during the currency of the leave, if he receives intimation regarding the availability of the conveyance while he is on leave. The recovery of advance in such cases, will, however commence with the first issue of pay or leave salary after the advance is drawn.

NOTE:- 2 No advance is admissible to Government servants for the purchase of a motor car abroad, either while on leave or on deputation out of India, Ceylon, Nepal, Burma and Aden.

(ii) A Government servant who trades in his old car when he goes on leave on condition that the firm shall supply him with a new car on his return from leave, may, soon after taking delivery of the new car apply for advance not exceeding the amount which he has actually paid in cash towards the price of the new car.

(4) Except when a Government servant proceeds on leave other than leave on average pay not exceeding four months, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of motor car necessary, he may not without the previous sanction

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either of the Government or of the Heads of Departments mentioned in Appendix I sell a car purchased with the aid of an advance which, with the interest on it in accordance with Article 227 (3) and (4) has not been fully repaid. If a Government servant wishes to transfer such a car to another Government servant who performs duties for which a motor car is necessary without the previous sanction of the Government or the Heads of Department mentioned in Appendix I the transfer of the liability attaching to the car to the latter Government servant, provided that he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(5) Whenever a Government servant sells a car before completing the repayment of an advance received from the Government for its purchase with the interest on it in accordance with Article 227 (3) and (4), he should apply the sale-proceeds, so far as may be necessary, towards the repayment of the outstanding balance due to the Government. If however, the borrower sells the car only in order to purchase another car the Government or the Heads of Departments mentioned in Appendix I of Tamil Nadu Financial Code, Volume II may permit him to apply the sale proceeds towards the purchase subject to the following conditions:-

(i) If the sale proceeds of the old car exceeds the cost of the new car, the Government servant should pay the excess to the Government immediately. Where, however, the amount of advance outstanding exceeds the sale proceeds of the old car as also the cost of the new car, the Government servant, should repay that amount of outstanding advance which is in excess of the cost of the new car.

If a Government servant sells an old car purchased out of Government loan or by private

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means and applies to the Government for an advance for a fresh car within a period of two years of such sale, he should reserve the sale proceeds of the old car for purchasing a fresh car, if he were to finance the purchase by an advance from Government. The Government will advance as loan only the additional amount required for purchasing a car against after deducting the sale proceeds of the old car or the maximum allowed under the rules, whichever is less. No further advance will be granted to a Government servant who already possesses a motor car purchased with the aid of an advance from Government and gives it away as gift.

NOTE:- "Cost of new car" means the actual price as defined in G.O.Ms.No.558, Finance, dated 17th May 1962, i.e., includes the expenditure on repairs and renewals on the motor cars and the items which have necessarily to be purchased along with the motor car, e.g., spare wheel, tyre and a tube but does not include insurance and registration charges and the cost of additional accessories, fitting, etc. The time limit for carrying out repairs and renewals is one month from the date of purchase of the car.

(ii) The Government servant should continue to repay the amount outstanding by the monthly instalments already fixed.

(iii) The new car should be insured and mortgaged to the Government as required by the rules.

NOTE:- 1 In cases where the car purchased from the Government loan is sold within five years of the date of sanction of loan or date of purchase of the car whichever is earlier and a fresh advance is applied for, the advance should be restricted to the purchase price of the fresh car less the sale proceeds of the previous car.

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NOTE:- 2 However, in cases where in the original purchase, the officer had supplemented the loan from Government with his own funds, he need not be required to apply the excess of sale proceeds over the amount due to Government, for purchase of the new car, provided that this excess shall not be more than the amount by which he supplemented the loan from the Government in the first instance.

(6) A further advance may be sanctioned to a Government servant for the purchase of a second motor car when he already has a car bought with the aid of an advance on account of which there is a balance still outstanding provided that it is shown to be clearly desirable in the public interest for him to possess two cars, and provided that the total amount outstanding against him at any one time on account of both advances does not exceed the permissible maximum.

(7) Every Government servant who applies for an advance should forward with his application an agreement executed by him in the prescribed form. If the advance is granted, he should execute a mortgage bond in the prescribed form after buying the car and should also insure the car.

NOTE:- No registration fee shall be leviable upon a mortgage deed executed by a person in the service of the State Government for securing the repayment of an advance received by him from the Government for the purchase of a motor car for his own use.

(8) The sanctioning authority may condone in exceptional circumstances the failure of the loanee to make the purchase of the conveyance within one month from the date of drawal of advance, by granting extension of time for a further period of not exceeding one month, when they are satisfied that the applicant will be

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genuinely utilising the money for the purchase of the vehicle well within the extended period, and Government will be the authority to condone non-fulfilment of other conditions governing the grant, in the event of failure on the part of Government servants to insure the conveyance within one month of the date of purchase of the conveyance etc.

Procedure

(c) (1) A Government servant who is eligible for and required an advance should submit his application in Form 12.

(2) A Government servant who requires an advance for the purchase of a motor car should submit with his application an agreement executed by him in Form 13. If the application and the agreement are in order, the sanctioning authority should certify accordingly and forward them to the Director of Treasuries and Accounts who will certify as to the availability of funds, etc. (see Article 229). If for any reason, the sanctioning authority has to return the application or the agreement for correction, the Government servant should resubmit the revised application or agreement to the sanctioning authority, who should certify as to its correctness and forward it to the Director of Treasuries and Accounts who will again certify as to the availability of funds. The period of two months specified in Article 229 for the drawal of the advance runs from the date of the latest certificate of the Director of Treasuries and Accounts as to the availability of funds.

If the advance is sanctioned, the sanctioning authority should send to the Director of Treasuries and Accounts a certificate that the borrower has signed the agreement in Form 13 and that has been examined and found to be in order.



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In the bill claiming the advance for purchasing a motor car, the Government servant should furnish a certificate to the effect that written assurance has been received by him from the dealer that the conveyance is likely available to him within a month from the date of drawal of the advance.

(3) A Government servant who draws an advance should pay finally for, and take delivery of, the car within one month from the date of drawing the advance; otherwise he should repay the Government at once the full amount of the advance drawn with interest on it for one month. If he completes the transaction within one month allowed, he should then immediately execute a mortgage bond in Form 14, hypothecating the car to the Government as the security for advance. He should enter the actual price paid for that car in the schedule attached to the bond. The sanctioning authority should see that the borrower completes the transaction within the time allowed or makes the necessary repayment immediately on its expiry. If he duly completes the transaction in time, the sanctioning authority should see that he immediately submits the necessary mortgage bond duly executed and should transmit it promptly to the Director of Treasuries and Accounts for scrutiny. It should, after such scrutiny, be forwarded to the Government or the Heads of Department delegated with such powers as the case may be for custody.

The scrutiny of the cash receipt and the bill for the purchase of the conveyance shall, however be done by the Accountant-General.

Where the Government servants retain the advance without purchasing the conveyance stipulated beyond the stipulated period of one month only the normal interest should be charged for the first month and for the period in excess of one month, penal rate should be charged as indicated below:-

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(i) The period of one month will be a calendar month from the date of the drawal of the advance.

(ii) the penal rate of interest will be calculated on the balance outstanding for the actual period in excess of one month (including fraction of a month) and not on the monthly balances as in the case of recovery of advance.

(iii) the penal rate of interest has to be charged upon all overdue instalments, merging the interest with the principal at monthly interest for the purpose of calculating future interest. The authority sanctioning the advance for the purchase of a conveyance has no discretion to levy simple interest in such cases.

(iv) when the period of one month is extended by competent authority, the penal rate will be charged with effect from the date following that on which the extended period expires.

The following example will illustrate the procedure to be followed:-

"A" was sanctioned an advance of Rs.7,500/- on the 30th March 1983 repayable in 50 instalments of Rs.150/- each. He refunded Rs.150/- each on 1.4.1983 and 1.5.1983. The interest will be charged as follows:-

30.3.1983 to 31.3.1983 on Rs.7,500/- at the normal rate.

1.4.1983 to 29.4.1983 on Rs.7,350/- at the normal rate (Rs.150/- refunded on 1.4.1983).

30.4.1983 on Rs.7,350/- at the penal rate.

1.5.1983 to 31.5.1983 on Rs.7,200/- at the penal rate (Rs.150/- refunded on 1.5.1983) and so on.

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The penal rate of interest for the purpose of this order will be the penal rate of interest on all overdue instalments fixed by the Government for that year.

NOTE:- (i) The term "actual price" includes the expenditure on repairs and renewals on motor cars and items necessarily to be purchased along with the motor car e.g., spare wheel, tyre and a tube but does not include insurance and registration charges and the cost of additional accessories, fittings etc. The time limit for carrying out repairs and renewals is one month from the date of purchase of the car. The stamped receipts for repairs and renewals should be sent to the Pay and Accounts Officer in respect of officers in city and to the Accountant-General in respect of officers in mufussal through the Head of the Department.

NOTE:- (ii) The mortgage bond should be executed on thick quality paper and written neatly or typed on only one page leaving the reverse page blank. Sufficient margin on both sides and at the top and bottom has to be left. Any corrections over writings or interlineations in the bond should be attested by the loanee Government servant. It is not necessary that the loanee Government servant and the countersigning officer who signs on behalf of the Governor, should sign the bond on the same date. The date to be specified in the preamble of the bond may be filled up when the bond is signed by the officer executing on behalf of the Governor. The signature of the two witnesses need not be dated and even if dated on different dates, the validity of the bond is not affected.

(4) The mortgage bond to be executed by a Government servant who draws an advance provides that he shall keep the car insured against loss or

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damage by fire, theft or accident. He should effect with the Life Insurance Corporation of India or any other Insurance Company which is prepared to insert in the Insurance Policy a clause indicated in Tamil Nadu Financial Code Form 15 the necessary insurance within one month from the date of purchase of the car. Insurance on owner-driven or other similar qualified terms is not sufficient for the purpose of this rule, but insurance at a reduced rate of premium in consideration of (i) the owner's undertaking to meet the first Rs.250 of any claim under the policy or (ii) the car is not being insured against accident for any reason of the year during which it is not used but is stored in garage, should be accepted as adequate.

If the borrower fails to insure the car within the prescribed period he should refund the whole of the advance with the interest that has accrued on it. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with the interest that has accrued at the beginning of that period, and the insurance should be renewed from time to time until the amount due is completely repaid. If at any time the amount for which the car is actually insured is less than the outstanding balance of the advance including the interest that has already accrued, the Government servant should refund the difference to the Government in not more than three monthly instalments. In the case of insurance policies under which the companies will be liable to pay only the market value or the insured value of the car, whichever is less, the difference between the market value and the outstanding advance against the officer, including interest should be refunded by the officer ordinarily in three monthly instalments.

On receipt of the sanctioning authority's certificate prescribed in the last sentence of sub-clause (2) above, the Director of Treasuries

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and Accounts will obtain from the borrower a letter in Form 15 to the Insurance Company with which the car is insured informing them that the Government are interested in the insurance policy, and will forward this letter to the Company with the necessary endorsement and obtain their acknowledgment. In cases, where the Insurance Company does not issue fresh policy every year the sanctioning authority should ensure that the original policy wherein the relevant clause in Form 15 stands inserted has been renewed by the Company and that the Government servant has insured the vehicle for an amount not less than the outstanding amount of the advance plus interest thereon. A certificate to this effect may then be sent to the Director of Treasuries and Accounts. However, in cases where a fresh policy is issued every year by the Insurance Company, it would be necessary to repeat the procedure of obtaining from the Government servant a letter in Form 15 for onward transmission to the Company. The Director of Treasuries and Accounts should also request the borrower to produce the receipt for the renewal of premium on each such occasion before the date on which the policy is due for renewal and should scrutinize it to see that it is in order.

The request of the loanee Government servants for condonation of delay in insuring the vehicle on comprehensive basis or in renewing the existing insurance policies of the vehicles on the plea that the vehicles were not put on the road or they fell sick for that particular period or due to pressure of work and pre-occupation, should be viewed seriously, as such omissions are due to the gross negligence of the loanee Government servant concerned. Therefore such lapses, namely (i) delay in insuring the vehicles on comprehensive basis (ii) delay in renewing the insurance policies, should be viewed seriously and the fact entered in personal files of the loanee Government servants concerned. There should not be any negligence in complying with the above orders of the Government.

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NOTE:- A Government servant who draws advance partly or wholly from the Government for the purchase of motor cars, motor cycles and scooters, should not purchase such secondhand vehicles as would not be accepted by the Insurance Company for Comprehensive Insurance.

**Advance to Government servants on foreign service**

(d) When a Government servant who is on foreign service requires an advance for the purchase of a motor car, he should apply to the foreign employer to grant it from its funds. If the foreign employer wishes to grant the advance, he should apply to the Government or the Heads of Department specified in Appendix I of Tamil Nadu Financial Code, Volume II as the case may be, for their sanction. If the competent authority accords the sanction, it will be subject to the proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply to an advance by the Government or the Heads of Departments concerned. If the foreign employer is not willing to grant the advance from its funds, but recommends that the advance may be granted from the State Funds, the Government or the Heads of Departments concerned may, if they think fit, sanction the grant of the advance from the State Funds under these rules, provided that the Government servant's duties make a motor car practically a necessity for him.

In the case of the personnel of the Corporate bodies, boards, etc., of the State/Central Government working on foreign service terms or on deputation with the Government departments the advance will be sanctioned only by the Government subject to among other conditions that in the event of their reversion to their parent departments before the advance drawn together with interest is fully repaid, they would undertake to repay in one lumpsum, the amount outstanding and the interest

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due before they are actually relieved from the service of the foreign employer.

However, the concession of the recovery in instalments of the outstanding dues in respect of the motor car advance shall be extended to the employees of the corporate bodies even after their reversion to their parent organisation provided the following conditions are satisfied:-

(i) The applicant for the grant of an advance for the purchase of motor conveyance should be a permanent employee of the undertaking and should be likely to continue in service under the Government for atleast three years.

(ii) The advance shall be granted subject to the borrower executing an agreement in Form 14 of Tamil Nadu Financial Code, Volume I hypothecating the motor conveyance concerned to the Government as security for the amount lent.

(iii) The parent organisation should give a written undertaking to Government agreeing to recover and remit in instalments the outstanding dues from the borrower after the date of reversion.

(iv) The monthly instalments of the advance and interest should be remitted to the Accountant-General by the parent organisation by means of a Bank draft within seven days from the date of disbursement of salary.

*Exception* - The above rule, so far as it relates to the debit of the advance, will not apply to a Government servant whose services are lent to a local body. The advance sanctioned to such a Government servant will be met from the State Funds.

NOTE:- When a Government servant who was a Head of Department or would have been a Head of Department

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but for transfer to foreign service, applies for advance, the sanction will be accorded by Government whether the advance is paid from the funds of the foreign employer or of the State.

- (iii) *Advances for the purchase of motor cycles or scooters or mopeds (New)*

**Eligibility of Government servants for an advance**

231. Article 230 applies *mutatis mutandis* to advances for the purchase of a new/secondhand motor cycles, new mopeds, new/secondhand scooters.

(a) The following classes of Government servants are eligible for the advance:-

(i) Non-Gazetted Government servants included in classes III and IV of annexure VI to the Tamil Nadu Travelling Allowance Rules who are entitled to draw the cost of transporting Motor Cycle when transferred and are either employed in Madras City or held posts which entail duties involving touring including the posts of Police Officers who have to make inspection outside their headquarters towns.

(ii) Government servants to whom the Government have granted conveyance allowance for the maintenance of a Motor Cycle, etc., for the discharge of their duties.

(iii) Government servants who are on a basic pay of Rs.1600/- and above. The basic pay eligibility is Rs.1200 in the case of Mopeds

(iv) Deputy Tahsildars.

(v) Deputy Commercial Tax Officers and Assistant Commercial Tax Officers.

(vi) Upper subordinates of Agriculture Department.

(vii) Assistant Inspectors of Labour.

(viii) Block Development Officers-cum-Panchayat Union Commissioners.



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- (ix) Agricultural Engineering Supervisors.
- (x) Assistant Section Officers in the Secretariat.
- (xi) Junior Employment Officers.
- (xii) Inspector of Sericulture.
- (xiii) Revenue Inspectors.
- (xiv) Sales Tax Collection Inspectors in the Commercial Taxes Department.

Maximum Amount

- (b) An advance should not exceed -

| Category of Conveyance      | Quantum of Advance                                    |
|-----------------------------|---|
| 1. Motor Cycle (New)        | Rs.12,000/- or cost of the vehicle whichever is less. |
| 2. Motor Cycle (Secondhand) | Rs. 7,000/- or cost of the vehicle whichever is less. |
| 3. Scooter (New)            | Rs.12,000/- or cost of the vehicle whichever is less. |
| 4. Scooter (Secondhand)     | Rs. 7,000/- or cost of the vehicle whichever is less. |
| 5. Moped (New)              | Rs. 5,000/- or cost of the vehicle whichever is less. |

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The classification of Motor Cycle/Scooter/Moped for the purpose of sanction of advance under these rules shall be as follows:-

|    | <u>Motor Cycle</u> | <u>Scooter</u> | <u>Moped</u>  |
|----|--------------------|----------------|---------------|
| 1. | Enfield            | Bajaj          | TVS 50        |
| 2. | Jawa               | Vespa          | Luna-Sportiff |
| 3. | Ind-Suzuki         | Lamby          | Luna-Spark    |
| 4. | Yamaha             | Vijay          | Luna          |
| 5. | Rajdoot            | Avanthi        | Suvega Moped  |
| 6. | Hero Honda         |                | Hero Majestic |
| 7. | Kinetic Honda      |                |               |
| 8. | Silver Plus        |                |               |
| 9. | Bajaj M 50/80      |                |               |

(iv) *Advances for the purchase of conveyances other than motor cars and motor cycles*

232. The grant of these advances is governed by Articles 227, 228 and 229 and the following rules:-

**Eligibility for an advance**

(a) Government servants belonging to C and D groups who have completed five years of regular service are eligible for an advance.

NOTE:- No second advance should ordinarily be granted within six years of a previous advance, unless satisfactory evidence is produced by the Government servant concerned to the effect that the

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conveyance purchased with the help of the previous advance has been lost or had become unserviceable. The sanctioning authority should furnish a certificate with the orders sanctioning the advance, that the advance sanctioned is either a first advance or a second advance sanctioned after a period of six years of the previous advance. In other cases he should certify that he has satisfied himself that the conveyance for the purchase of which the previous advance was drawn by the Government servant was lost or has become unserviceable as the case may be.

**Conditions on which an advance is granted**

(b) (i) An advance should not exceed Rs.800 or the estimated price of the conveyance whichever is less. If the actual price paid is less than the advance taken, the balance should be refunded to the Government immediately. The advance shall be utilised only for the purchase of new bicycles.

A Government servant who intends to purchase a new cycle by taking an advance from the Government should produce a proforma invoice showing the cost of the cycle and accessories obtained from a reputed and established dealer in the area from whom he intends to purchase the bicycle. The sanctioning authority, after scrutinising the invoice, may sanction the advance restricting it to a maximum of Rs.800/- or the cost of the cycle whichever is less. The excess cost of the vehicle over and above Rs.800/- will have to be borne by the Government servant. The Drawing Officer should draw the amount of advance and send it direct to the dealer by means of a mand draft on receipt of which the dealer will deliver the cycle to the Government servant.

A Government servant who takes an advance should, within one month after drawing the advance, furnish the sanctioning authority with a

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certificate stating either that he has utilised the full amount of the advance for the object for which it was granted, or that he has refunded into the treasury the balance of the advance in excess of the actual price paid for the conveyance. The Head of office should physically verify the new bicycle and the bill for the same and furnish a certificate in the following form which should be kept in the file.

"Certified that the proforma invoice showing the cost of new bicycle including the cost of complete fittings obtained from the reputed and established shop, has been verified and found to be in order. It is also certified that the new cycle delivered by the shop has been seen physically by me and the bill for the cycle has also been verified by me".

The head of the office should furnish the Director of Treasuries and Accounts with a certificate after the advance has been drawn and utilised that he has seen the conveyance and the voucher for its purchase. This certificate should be sent to the Director of Treasuries and Accounts in a communication furnishing therewith the particulars of dates of (a) sanction, (b) drawal and (c) utilisation of the advance individually. If the head of the office has drawn the advance, the certificate in respect of it should be furnished by his immediate superior officer.

(ii) A conveyance bought with an advance will be the property of the Government until the advance has been fully repaid together with the interest due on it. So long as a Government servant who has taken an advance still owes the Government anything in respect of it he should submit to the head of his office every month a certificate that the conveyance is in his possession and in good order. This certificate should be furnished before the Government servant's pay is disbursed; it should

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be attached to the pay bill if the Government servant draws his own pay bill and otherwise to the acquittance roll. The conveyance may, if necessary, be sold or otherwise disposed of with the previous sanction of the head of the department, provided that the proceeds are applied towards the repayment of the advance and the interest due on it so far as may be necessary. If the conditions for the grant of the advance viz. purchase of the new bicycle including the complete fittings from a reputed and established shop and the production of voucher for the purchase are not fully satisfied the full amount of advance with interest accrued on it from the date of its drawal shall be recovered in one lumpsum.

(iii) Head Constables and Police Constables and men of corresponding ranks are eligible to draw interest-free advance towards the purchase of bicycles only from the Units of the State Industries Department or the Tamil Nadu State Small Industries Corporation, subject to the conditions that -

(i) the amount sanctioned is recovered in equal monthly instalments not exceeding Rs.20 (Rupees twenty) per mensem.

(ii) that a certificate is issued by the Pay Drawing Officer concerned to the effect that this is the first purchase and that the policeman concerned does not own any cycle at present;

(iii) that the cycle purchased out of the interest-free advance is not sold within a period of five years; and

(iv) that a certificate issued by the Pay Drawing Officer to the effect that it has been verified that the interest-free advance has been utilized for the purchase of the bicycle from the Units of the State Industries Department or the Tamil Nadu State Small Industries Corporation.

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NOTE:- The authorities sanctioning advances to their staff for the purchase of bicycle should record in the sanction order that a certificate of availability of funds has been obtained from the Accountant-General.'

**Advances to Rural Medical Practitioners  
for the purchase of bicycles**

232-A. These advances are sanctioned, subject to the following rules and the provisions of Articles 227, 228 and 229 to the extent they are consistent with the rules laid down in this Article:-

**Eligibility for an advance**

(1) Advances will be granted for the purchase of bicycles to Rural Practitioners working in Rural Subsidized Dispensaries except "B" class Practitioners working temporarily as Rural Medical Practitioners.

**Conditions for the grant of an advance**

(2) The grant of an advance is subject to the following conditions:-

(i) The advance will be limited to 80 per cent of the estimated cost of the bicycle or Rs.160 whichever is less.

(ii) The Rural Medical Practitioner who takes an advance should within one month after drawing the advance furnish the Accountant-General with a certificate stating either -

(a) that he has utilized the full amount of the advance for the purchase of a bicycle; or

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[232A-cont.]

(b) that he has refunded into the treasury any unutilized balance of the advance specifying the amount refunded.

(iii) The bicycle purchased with the advance should be mortgaged to the Government as security for the advance till it is completely repaid. The mortgage bond will be in Form 14-A. The procedure relating to execution, examination and custody of the mortgage bonds in respect of the advances for the purchase of motor cars/motor cycles laid down in Articles 230 and 231 will apply *mutatis mutandis* to the bonds executed by the Rural Medical Practitioners in subsidised dispensaries for the advances for the purchase of bicycles.

(3) *Procedure for application* - A Rural Medical Practitioner who is eligible for and requires an advance should submit with his application an agreement executed by him in Form 13-A to the President of the District Board concerned who will send them to the Director of Medical Services in the case of Registered Medical Practitioners working in Rural Subsidized Dispensaries of Modern Medicine and to the Honorary Director of Indigenous Medicine in the case of those working in dispensaries of Indigenous Medicine. The Director of Medical Services and the Honorary Director of Indigenous Medicine should forward the applications to the Government through the Accountant-General.

(4) *Repayment of advance* - The advance shall be recovered in ten monthly instalments from the subsidies payable to the Rural Medical Practitioners, with interest at such rate as may be fixed by the Government from time to time.

The Treasury Officer concerned will be responsible for effecting the recoveries regularly from the subsidies payable till the advances are fully repaid with interest.

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(C) ADVANCES FOR THE PURCHASE AND CONSTRUCTION  
OF HOUSES

233 These advances are granted in accordance with the rules contained in Appendix 25.

(D) OTHER ADVANCES

(i) General

234. These include (a) advances for the purchase of warm clothing to non-gazetted Government servants and (b) special advances, such as those occasionally granted to Government servants who go abroad to pursue higher studies. Special advances are granted by the Government only in exceptional cases and for specially strong reasons. When the Government grant a special advance, they specify in their order the conditions subject to which it is granted.

(ii) Advances for the purchase of warm clothing

235-A. (1) These advances are subject to the provisions of Articles 227 and 280 to the extent they are not inconsistent with the rules laid down in this Article.

(2) The head of an office or a gazetted Government servant to whom the head of an office has delegated the power of drawing establishment pay bills, may sanction advance for the purchase of warm clothing to all non-gazetted Government servants, including last grade servants, who are transferred from the plains to any of the hill stations in this State and also to those who are recruited for appointment in any of these stations. It may also be granted to the members of the work-charged establishments of the Public Works and Highways Departments, who draw monthly salaries and to the members of the contingent staff of the



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Department of Employment and Training working in the Industrial Training Institute, Coonoor.

NOTE:- 1 For the purpose of this Article the places mentioned in rule 14 (i) of Part I and Part II of the Tamil Nadu Manual of Special Pay and Allowances, Volume I, and the entire Anamalais shall be considered as hill stations.

NOTE:- 2 Members of the contingent staff of the Department of Employment and Training should furnish a personal security bond in Tamil Nadu Financial Code, Form 11 along with a surety from a permanent Government servant or from a Government servant who has put in not less than 10 years of regular service.

(3) The advance shall be limited to four month's pay of the Government servant concerned or Rs.500, whichever is less. The advance payable to Government servants officiating in higher post will be based on the pay drawn by them in respect of their substantive posts only.

NOTE:- The advance shall be Rs.200 each in respect of member of the contingent staff of the Department of Employment and Training working in the Industrial Training Institute, Coonoor.

(4) The Board of Revenue may sanction an advance up to a maximum of Rs.500 to any officer posted as Collector of the Nilgiris from the plains, for the purchase of warm clothing. Similar advance up to a maximum of Rs.300 may be sanctioned to all gazetted officers posted from the plains to any of the hill stations specified in rule 7 (1) under Part I of the Tamil Nadu Manual of Special Pay and Allowances, by the controlling authorities competent to countersign the travelling allowance bills of the Government servants of Group B concerned.

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[235A-cont.]

**Exception:** An advance for the purchase of warm clothing may be sanctioned to Groups A, B, C and D employees of the State Government employed in the Tamil Nadu House, New Delhi. The maximum amount of the advance shall be Rs.500 or 2 months pay whichever is less in respect of Groups A, B, C and D Government servants.

**NOTE -** Government servants working in Hosur and Denkanikottai Taluks of Dharmapuri District shall be sanctioned warm clothing advance of Rs.500 or two months pay whichever is less subject to all other provisions.

(5) The advance shall bear the same rate of interest as that chargeable on advance for the purchase of conveyances;

(6) The advance is repayable in twenty monthly instalments;

(7) The drawing officer should satisfy himself that the amount of the advance claimed on each bill is not in excess of the actual needs of the Government servant and the members of his family, who will reside with him in the hill station; and

(8) A Government servant who takes an advance for the purchase of warm clothing should furnish to the sanctioning authority within one month after drawing the advance a certificate stating either (a) that he has utilized the full amount of the advance for the object for which it was granted or (b) that he has refunded into the treasury the balance of the advance in excess of the actual price paid for the warm clothing. The head of the office should furnish the Accountant-General with a certificate after the advance has been drawn and utilized that he has seen the voucher for the purchase of the warm clothing. The certificate should be sent to the Accountant-General in a communication furnishing therein the particulars

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[235A-cont.]

of dates of (a) sanction, (b) drawal and (c) utilization of the advances individually. If the head of the office has drawn the advance the certificate in respect of it should be furnished by his immediate superior officer.

The Collector of Nilgiris or any other Gazetted Officer who has been sanctioned advance for the purchase of Warm clothing should furnish a certificate on the first pay bill cashed after the advance is drawn and utilized to the effect that he has utilized the advance fully, enclosing the vouchers therefor to the Accountant-General, Madras under intimation to Government in the Public (Special) Department and the Board of Revenue or the controlling authorities mentioned in sub-paragraph (4) above, as the case may be.

(9) The Advance for the purchase of warm clothing may be sanctioned without a certificate from the Accountant-General on availability of funds. The Director of Treasuries and Accounts is the controlling authority to watch the allotment of funds against the appropriation under "Warm Clothing Advance". He will submit necessary Budget proposals under this head to the Government in advance each year. All the concerned Departmental Officers and Collectors authorized to sanction warm clothing advance should mark a copy of the order to the Director of Treasuries and Accounts as well as the Pay and Accounts Officers, Madras/Treasury Officers of the Districts concerned as the case may be. The progress of expenditure under this head will be watched by the Director of Treasuries and Accounts with reference to the proceedings sanctioning the warm clothing advance received in his office.

NOTE:- (1) The authorities before sanctioning the advance should make sure that the advances are sanctioned only of those officials whose stock of warm clothing, if any, has become unserviceable and

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[235A-235B]

who are really in need of a fresh set of warm clothing. The Government servant who applies for the advance should be asked to sign a certificate to the effect that his stock of warm clothing has become unfit for further use and that a fresh set of warm clothing is absolutely necessary. Once the advance is sanctioned, further advances should not be ordinarily granted, unless satisfactory evidence is produced by the Government servant concerned to the effect that the warm clothing purchased with the help of the previous advance has been lost through causes beyond his control or has become unserviceable by normal wear and tear. The sanctioning authority would clearly indicate in the orders sanctioning such advance whether it is a first advance or not and in case of further advance he should record a certificate to the effect that he is satisfied about the need for a fresh stock of warm clothing for which the advance is applied for.

NOTE:- (2) No second advance should ordinarily be granted within three years of a previous advance.

(iii) Advances for the purchase of Khadi

235-B. These advances for the purchase of Khadi from the Sales Depots of the Tamil Nadu State Khadi and Village Industries Board are sanctioned subject to the following rules and the provision of Article 227 of this Code to the extent that they are not inconsistent with the rules laid down below:-

(a) *Eligibility of Government servants to the advance* - An interest-free advance for the purchase of Khadi from depots of Tamil Nadu State Khadi and Village Industries Board may be sanctioned to all permanent Government servants including Last Grade Government Servants. The advance may be granted to officiating and temporary Government servants also if the advance can be fully recovered from them before they are ousted.

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(b) *Conditions on which an advance is granted-*

(1) The advance shall be limited to one month's pay of the Government servants concerned. A second advance shall not be sanctioned when the recovery towards the earlier advance is pending.

(2) The advance shall not be paid in cash, but in the form of a sanction order in favour of the Government servant permitting him to purchase, on credit basis, Khadi from the Depots of the Tamil Nadu State Khadi and Village Industries Board up to the value to be specified in the sanction order, the cost of purchase being initially met by the Government on behalf of the Government servant concerned.

(3) The advance is repayable in not more than six instalments in respect of purchase of Khadi for amount up to and inclusive of Rs.200 and eight instalments in respect of purchase for amount exceeding Rs.200 from the pay bill of the Government servants concerned commencing from the month of adjustment of the cost of purchase at the Pay and Accounts Office or Treasury, as the case may be.

(c) *Procedure -* (i) The Government servant who desires to purchase Khadi shall submit his application in T.N.F.C. Form 30 to the Head of his office specifying the value of the cloth required with particulars of the post held by him and his monthly pay.

(ii) The Head of the office or a Gazetted Government servant to whom the Head of an office has delegated powers of drawing establishment pay bill, shall after checking the particulars mentioned in the application, record his sanction on the application indicating the amount up to which Khadi may be supplied. The sanction order shall be in T.N.F.C. Form 31 and bear the official seal of the head of the office.

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NOTE:-I. In the case of Government servant of Group A, the head of Department may sanction the advance.

II. In the case of Government servants of Group B, sanction for the purchase of Khadi on credit basis shall be accorded at least by the authority next higher to the applicant.

III. In the case of Government servants of Group B, the sanction order shall be prepared in triplicate, the original shall be given to the applicant along with the application for presenting the same to the Manager, Khadi Depot, the duplicate copy shall be sent to the Pay and Accounts Officer or the Treasury, as the case may be, and the triplicate copy shall be retained in the office of issue for record.

IV. In the case of the non-gazetted Government Officers, the sanction order shall be prepared in duplicate, the original shall be given to the applicant along with the application for presenting the same to the Manager, Khadi Depot and the duplicate copy shall be retained in the office of issue for record.

(iii) The applicant shall then present his application and the sanction order to the Manager of the Khadi Sales Depot where he intends to purchase Khadi and the Manager shall issue Khadi up to the limit of the sanctioned amount. He shall then prepare a credit bill in triplicate as usual for the exact price of the Khadi supplied on which he shall take the acknowledgement of the applicant for the cloth received by him and send one of them to the head of the office who sanctioned the Khadi advance. The sanction order will be valid only for one month from the date of issue. The Government will not accept any responsibility for sales made on credit basis on the strength of the sanction order which is not valid.

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(iv) On receipt of the bill from the Sales Depot, the head of the office shall prepare an adjustment bill for the full value of the Khadi supplied debiting the entire amount to "Loans and Advances by the State Government - Loans to Government Servants - d. Other Advances" by per contra credit to "Deposits and advances - Deposits not bearing interest - C. Other Deposit Accounts - Deposits of Local Fund - C. Other Funds - (iv) Other Miscellaneous Funds - Tamil Nadu State Khadi and Village Industries Board Funds - 1. Khadi Fund - Other Receipts - Production and Marketing (Sale proceeds of Cotton, Charkhas, Khadi, etc.)". The adjustment bill along with the original invoices for the purchases made should be sent to the Pay and Accounts Officer or the Treasury as the case may be. This account adjustment shall be carried out in the Pay and Accounts Office in respect of Khadi Advances sanctioned to Government servants in the offices located in the Madras City and at Treasuries in respect of Advances taken by Government servants working in the mofussil. The adjustment bill shall be prepared in triplicate of which the original shall be kept for record in the Pay and Accounts Office or Treasury in the mofussil as the case may be and other two returned to the head of the office who proposed the adjustment. He in turn, shall retain one in his office and pass on the other to the Sales Depot which supplied Khadi.

NOTE:- On receipt of bill in respect of credit sales by the Khadi Kraft, Madras, the head of office shall prepare a bill for the value of Khadi supplied, debiting the entire amount to the head of account noted above and make an endorsement to the effect that the value is payable to the Manager, Khadi Kraft, Madras, by means of crossed cheque.

(v) The Manager of the Sales Depot shall watch for the receipt of the triplicate copy of the adjustment bill and file it with the application and sanction order relating to the individual

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[235B-cont.]

applicant kept in the depot. These papers shall be preserved as credit voucher for compiling departmental accounts of the receipts of the department.

(vi) It shall then be the responsibility of the head of the office where the duplicate copy of the adjustment bill is filed to watch the recovery of the amount of the adjustment bill like any other recoverable advance, e.g., Festival Advance by compulsory deduction from the pay of the Government servant, till it is fully realised and credited under "Loans and Advances by the State Government - Loans to Government servants - d. Other Advances". In the case of Gazetted Officers who draw their own pay, they shall show in their pay bills amount to be deducted from their gross pay regularly every month till the entire value of the cloth purchased by them is recovered. These monthly recoveries shall be watched through Audit Registers maintained in the Pay and Accounts Office in the City and in the Treasuries in the mofussil.

(vii) The sanctioning authorities should maintain a register of Khadi Advance in T.N.F.C. Form 33, the columns (1), (2) and (3) being filled in as soon as sanction orders are issued, the details of number and date of sanction order being noted in column (2) itself and columns (4) and (5) being filled in on receipt back from the Treasuries or the Pay and Accounts Office, as the case may be, on the accepted copies of adjustment bills proposed towards payment of credit sales. Unutilised sanction orders shall be cancelled and filed with the sanctioning authorities. Entries should also be made in the register against the relevant sanction orders of the fact of cancellation. The register will be reviewed by the sanctioning authority once in a month and the original application of the sanction order not utilised after one month from the date of issue shall be taken back and filed in the office after cancellation.



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[235B-cont.]

(viii) The heads of offices besides maintaining a separate register for watching the recovery of the "Khadi Advance" in T.N.F.C. Form 33, should also watch the adjustment of the Khadi Advance through the general register in T.N.F.C. Form 23-B.

(d) *Reconciliation of debits and credits - (i)*  
Each head of department shall receive the monthly figures and debits and credits under this advance from the Subordinate Controlling Officers (District Officers) by the 20th of the succeeding month. The Subordinate Controlling Officers shall obtain the figures from the subordinate drawing officers by the 15th of the succeeding month. The Accountant-General, Madras, shall communicate to each head of department the debits and credits for each month by the first of the second succeeding month. The head of the department shall compare these figures with the figures already received by him from his subordinate controlling officers and reconcile the differences if any. The heads of departments shall arrange to carry out this reconciliation when their staff visit the office of the Accountant-General for the reconciliation of the figures under the service heads.

(ii) (a) To enable the differences to be located easily, the heads of departments receive the monthly figures from the subordinate controlling officers in the following forms:-

| Name of drawing officer | Huzur voucher chalan particulars | Credit | Debit |
|-------------------------|----------------------------------|--------|-------|
| (1)                     | (2)                              | (3)    | (4)   |

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[235B-236]

(b) After the accounts for March are closed, the Accountant-General shall communicate the balances under the advance head to the heads of departments who shall arrange to communicate their acceptance of the same after due verification.

(iii) In regard to Government servants who are transferred from one office to another, involving a change in the district or payment of department, a statement showing the particulars of the amount of advance paid and recoveries effected upto the date of transfer should be furnished to the office of the Accountant-General in addition to similar details furnished in the last pay certificate to the head of the new offices to which the Government servant is transferred.

### III. ADVANCE REPAYABLE

#### General

236. The transaction of Government business often necessitates the placing of funds at the disposal of Government servants as temporary cash advances for public purposes. These are subsequently adjusted as expenditure under the appropriate heads of account or recovered from the parties concerned. When such advances are free of interest they are shown in the accounts as "Advances Repayable" under the following heads:-

- (i) Civil advances
- (ii) Special advances
- (iii) Revenue advances
- (iv) Forest advances

The rules applicable to each of these classes of advances are contained in the following Articles. Clauses (1), (4) (b) and 4 (c) of Articles 227 also apply to these advances.

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**(I) CIVIL ADVANCES****Classes of Advances**

237. The following are some of the classes of advances included under this head:-

- (1) Objection book advances.
- (2) Advances to junior. Indian Administrative Service Officers.

They are dealt, with in Articles 238 to 245.

**(1) OBJECTION BOOK ADVANCES****Classes of Advances**

238. These include the following:-

- (A) Advances on transfer
- (B) Deleted
- (C) Advances to Government servants proceeding on deputation outside India.
- (D) Advance of travelling allowance to the family of Government servant who dies in service.
- (E) Advance for meeting the immediate requirements of the family of non-gazetted Government, servants who die while in service.

The conditions on which these advances are granted are set out below:

NOTE:- (1) For advances for journeys on tour, which are debited to the service head concerned, see Articles 84 and 100.

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NOTE:- (2) Officers who draw establishment bills should maintain a separate register in which they should enter all the particulars regarding advances etc., sanctioned to members of the establishment, and also advances noted as outstanding in the last pay certificates of Government servants transferred to the offices. The amount of the advance in each case should be shown as outstanding until it is completely recovered or the outstanding balance is entered in the last pay certificate of the officer. The register should be consulted whenever the last pay certificate is prepared.

NOTE:- (3) In cases of advances regulated by Article 239 to 244 A, sanctions to be issued by the competent authority shall stipulate that no interest shall be chargeable if the conditions attached to the sanction including those relating to the recovery of amount are complied with fully to the satisfaction of the competent authority. In cases, however, of default interest shall be charged at the rate of 2.5%.

**(A) Advances on transfer**

239. These advances are granted in accordance with the following rules:-

**Eligibility of Government servants  
for an advance**

(a) Advances of pay and/or travelling allowance can be granted to (1) a Government servant who receives an order of transfer involving change of station during duty or leave (2) a Government servant employed in the Secretariat in respect of each non-gazetted Government servant of Raj Bhavan for authorised move to and from Ootacamund, and (3)

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a gazetted or a Non-Gazetted Government servant of Raj Bhavan for the move to and from Ootacamund every year in connection with the annual change of headquarters of the Governor all under this head.

Sanctioning authority

(b) The authorities shown below have power to sanction these advances to the extent noted against each:-

| Nature of advances   | Authorities competent to grant sanction  |
|--|--|
| (i) Advance of pay and travelling allowance to a Government servant in permanent employment.   | All Government servants who are authorized to draw pay and travelling allowance bills or establishments.   |
| (ii) Advances of pay and travelling allowance to a temporary or officiating Government servant who has no substantive post but is an approved probationer or who has completed the prescribed period of probation and is not likely to be discharged within four months, and an advance of travelling allowance only to any other temporary or officiating Government servant who has no substantive post; | The Collectors, Deputy Collectors and Revenue Divisional Officers in the Revenue Department; the head of the office in the Public Works Department; the Survey Department; Industrial Engineer, General Superintendents, Industrial Engineering Workshops, Madras; Assistant Directors of Industries and Commerce (except the Assistant Director of Industries and Commerce, Government Industrial Engineering Workshops, Madras); Sericultural Expert; Assistant Sericultural Expert, |

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| Nature of advances                               | Authorities Competent to grant sanction  |
|--|--|
|  | <p>Hosur; Principals of all Polytechnics; Government Textile Institute, Madras; Institute of Leather Technology, Madras; School of Arts and Crafts, Madras; Special Officer, Gut Section, Coonoor in the Industries and Commerce Department; Government servants not below the rank of Assistant Commissioner in the Excise Department; Conservators of Forest; Divisional Forest Officers and the State Wild Life Officer in the Forest Department; District Registrars in the Registration Department; and in other cases the head of the Department or the head of the office to whom the head of the department has delegated the power of sanction.</p> |
| (iii) Advance not covered by items (i) and (ii). | The Government, who sanction such advances only for special and exceptional reasons.   |

NOTE:- (1) The Government servants authorised to draw pay and travelling allowances bills of

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establishments may sanction advance pay and travelling allowance themselves.

NOTE:- (2) The Commissioners of the Municipalities may sanction advance of pay on transfer to themselves under these rules.

NOTE:- (3) The Superintendent of Police, Crime and Q Branch, C.I.D., Madras, and the Superintendent of Police, Special C.I.D., Madras may sanction advance of pay and travelling allowances under this article to the staff working under their control and they may exercise the powers vested with the head of the office under this Article.

NOTE:- (4) The District Employment Officers (Youth Employment Service) working in the Department of Employment and Training may sanction advance of Pay and Travelling Allowance on transfer to themselves.

Conditions on which an advance is granted

(c) (1) An advance should not exceed the pay that the Government servant is in receipt of immediately before transfer or the pay that he will be entitled to after transfer, whichever is less plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer or move to or from Ootacamund, as the case may be.

(2) An advance on account of a transfer should invariably be recorded on the Government servant's last pay certificate. [See also instruction 1 (f) under Treasury Rule 19.]

(3) The advance of pay should be recovered from the Government servant's pay in three equal monthly instalments and the first instalment should be deducted from the first full month's pay drawn after the transfer or move. The first two

## LOANS AND ADVANCES

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instalments should be fixed in whole rupees, and the remaining balance including any fraction of a rupee should be recovered as the third instalment. The advance of travelling allowance should be recovered in full in the Government servant's travelling allowance bill for the journey in question. The Government servant should present this bill as soon as possible and if the amount of the bill is less than the advance, he should refund balance in cash at once. When recoveries have to be made from the same Government servant on account of more than one advance of pay drawn on transfer the recoveries should be made concurrently. Any amount recovered from the Government servant in excess of the advance drawn should, if it remains unclaimed for one year from the date of the last recovery, be credited as revenue to the Government.

(4) If member of a Government servant's family does not accompany him but follows him within six months from the date of the transfer (see Rule 75 of Tamil Nadu Travelling Allowance Rules), a separate advance may be granted at the time on account of the travelling expenses of that member, provided that no advance has already been drawn for the same purpose.

When a single advance is drawn for the travelling expenses of both the Government servant and his family, it may be adjusted by submitting more than one bill if the members of the Government servant's family do not actually complete the journey with him. The Government servant should however, certify on each adjustment bill that he will submit a further bill in due course for the travelling allowance admissible on account of the members of his family (to be specified) who have not yet completed the journey and that he expects the amount claimed in that bill to be not less than the balance of the advance left unadjusted. If necessary, they should refund a part of the balance in cash before signing this certificate.



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Adjustment of advances of pay granted to Government servants sent on foreign service and reversion from foreign service

(d) (i) The amount of an advance of Government servant transferred to service under foreign employer, should be reimbursed to Government by the foreign employer in lump, by sending a cheque or demand draft in favour of the Audit Officer on whose records the advance is originally booked.

(ii) An advance of pay to a Government servant on his reversion from foreign service should be granted by the foreign employer along with the concurrence of the authority competent to sanction the transfer of the Government servant to foreign service. The competent authority should refund the total amount to the foreign employer by means of a demand draft on receipt of a demand from the foreign employer, duly supported by a certified copy of the original cash receipt obtained from the Government servant at the time of the payment of the advance.

(e) An advance of pay is not admissible under this Article to Government servants in respect of transfers made at their own request.

239-A. Gazetted Government servants may be granted an advance of one month's pay in the new station, in addition to the advance of a month's pay drawn by them at the old station, when delays occur in the payment of the salaries. Such an advance can be sanctioned by the Head of the Office or by the Gazetted Officer himself if he happens to be the Head of Office. The second advance can be drawn if the necessary authorisation for drawal of pay is not received within two months from the date of taking charge of the post by the Officer concerned. The second advance will be recovered in a lumpsum from the bill for a month paid after the

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drawal of the advance, while the first advance will be recovered in three instalments from the pay for the subsequent three months.

NOTE - The second advance to Government servants on transfer is admissible even if the transfer is from one post to another in the same sanction provided the other conditions are satisfied.

240. Deleted.

241. Deleted.

242. Deleted.

(C) Advances to Government servants proceeding on deputation outside India.

242-A. Government servants proceeding on deputation outside India may be granted advance of pay by the Government subject to the following conditions:-

(1) The period of deputation is not less than one month;

(2) the amount of advance is limited to a month's pay of the officer and is recovered in not more than three equal monthly instalment and

(3) in the case of temporary Government servants, surety from a permanent Government servant is obtained before the advance is sanctioned.

(D) Advance of travelling allowance to the family of Government servant who dies in service

242-B. Travelling allowance admissible to the members of the family of a Government servant who dies in service, for the journey from the Government servant's headquarters to his home or to

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[242B-cont.]

any other place where they wish to reside may be drawn in advance, if the officer drawing the bill is satisfied that the journey will be made.

Such an advance will be subject to the following terms and conditions:-

(i) The advance may be sanctioned by the authority who would have been competent to countersign the travelling allowance claim if the officer were alive.

(ii) The amount of the advance may be limited to 3/4th (three-fourth) of the probable amount of travelling expenses that may be admissible under the rules.

(iii) The advance will be payable to only one member of the family of the deceased Government servant, on behalf of all. It should be the widow/widower or any other member of the family (within the definition of the term "family" who is a major and of sound mind). The decision of the sanctioning authority to whom the advance may be given shall be final.

After the advance is sanctioned by the competent authority it may be drawn by the head of the office and paid to the member of the family authorised in this behalf.

(iv) Only one advance will be admissible irrespective of the fact that the members of the deceased Government servant's family travel in separate batches from the same or different stations.

(v) The account of the advance drawn should be rendered within one month of the completion of the journey if the family travels in one batch. In case the family travels in more than one batch the account may be rendered within one month after the

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completion of the journey by the last batch. In any case, the journeys must be completed before the period of three months stipulated in the sub-paragraph to rule 110 of the Tamil Nadu Travelling Allowance Rules contained in Part II of the Tamil Nadu Manual of Special Pay and Allowances, Volume I and the account of the advance rendered within one month of the expiry of the stipulated period, at the latest. The advance should, however, be refunded forthwith if the journey is not completed within the stipulated period.

(vi) The surety of a permanent State Government servant, status comparable to or higher than that of the deceased Government servant, should be obtained in the form prescribed in FORM 11-A before the advance is sanctioned. The person receiving the advance should also give an undertaking in that prescribed form in writing to the effect that he/she would abide by the provisions contained in clause (v) above. This is necessary in order to enable the sanctioning authority to effect recovery of overpayments resulting from non-performance of the journey within the stipulated period or non-submission of the adjustment bill within the prescribed period.

(vii) The advance will be interest-free and will be treated as an "advance recoverable". The adjustment of the advance will be watched through objection book by the Accounts Officer concerned.

**(E) Advance for meeting the immediate requirement of the family of Government servants who die while in service**

242-C. The Heads of Departments/Offices may sanction advances to families of all Government servants who die while in service including Gazetted Officers in permanent or temporary employ (Excluding casual and daily rated staff) for

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meeting their immediate requirements. Such an advance will be subject to the following terms and conditions:-

(i) All Government servants (excluding casual and daily rated staff who die while in service whether on duty or on leave with or without pay) shall be holding a permanent or temporary employment at the time of his death.

(ii) The amount of advance shall be limited to the three month's pay of the deceased or Rs.1,000 (Rupees one thousand only) whichever is less.

(iii) The advance shall be payable -

(a) In the case of a Government servant who is eligible for the benefits of the Tamil Nadu Liberalised Pension Rules, 1960, the payment of advance should be made only to the person or persons nominated by him or otherwise eligible (i.e.) where there is no nomination to receive the Death-cum-Retirement Gratuity in the same proportion as they are entitled to, and

(b) In the case of a Government servant who is not eligible for the benefits of the Madras Liberalised Pension Rules, 1960, but is a subscriber to the Contributory Provident Fund (Madras) or person or persons nominated by him in the same proportion as they are entitled to the Provident Fund amount as specified in the nomination. In cases where no nomination has been made and there is a family, the payment should be made to the person or persons entitled to receive the amount under Rule 25 (i) (b) of the Contributory Provident Fund Rules (Madras) as the case may be and in cases where there is no family, the payment should be made to the person or persons entitled to the amount under the Provident Fund Act, 1925.

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(iv) In all cases an undertaking should be taken from the person or persons concerned, before the payment is made that he/she/they agree to the amount being deducted from the Death-cum-Retirement Gratuity or the Contributory Provident Fund amount or the General Provident Fund amount or the Death Gratuity admissible under ruling 5 to rule 4 of the Madras Liberalised Pension Rules, 1960 ultimately payable to him/her/them.

(v) The advances shall be debited to the sub-head "Immediate relief advance to the families of Government servant who die while in service" under "7610. Loans to Government servants' etc., other advances". The sanction order communicated by the Heads of Department/Heads of Office to the Accountant-General should contain the following particulars:-

1. Name of Official (Gazetted or Non-Gazetted).
2. Designation and office in which the person has been last working.
3. Last Pay drawn (Permanent or officiating).
4. Amount of advances sanctioned.
5. Name of the payee.
6. Provident Fund Account Number.

(vi) As it is important to provide the relief in time the Heads of Departments/Offices are empowered to use for this purpose the imprest or other resources available with them. If the imprest or other resources are not sufficient to cover the payment, the Head of Department/Office should draw the amount from the Treasury in Tamil Nadu Treasury Code Form No.40. The fact of payment in this behalf should be recorded in the Last Pay

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Certificate sent to the Accountant-General with the paper relating to Death-cum-Retirement Gratuity and similar other pay. In cases where submission of Last Pay Certificates has been dispensed with, the fact of payment of advance should be indicated in the "No demand Certificates" or in the pension application in the letter forwarding the pension papers to the Accountant-General.

(vii) The advance should be adjusted against the arrears of salary due, Death-cum-Retirement Gratuity, Provident Fund accumulations or any other payments due to the deceased, as soon as possible, and in any case within six months from the date of sanction. Where the advance cannot be so adjusted for the reason that it is more than the payments due to the deceased under the Rules, the balance remaining to be so adjusted should be recovered from the lumpsum amount of Rs.40,000 payable to the family of the Government employee who dies while in service under the Tamil Nadu Government Servants' Family Benefit Fund Scheme.

(F) Advances to Gazetted Officers on first appointment

242-D. In the case of the first appointment of Gazetted Officers, if for any reason, there is delay in receipt of the authorisation from the Accountant-General or the Pay and Accounts Officers, the Gazetted Officers may be paid an advance equivalent to a month's pay. They may also be granted a further advance of another month's pay, if the authorisation of the Accountant-General or the Pay and Accounts Officer, as the case may be, is not received within two months from the date of taking charge. These advances can be sanctioned by the Head of Office in which the Gazetted Officer is working or by the Gazetted Officer himself, if he happens to be the Head of Office. Such advances shall be recovered in two instalments each, commencing from the month in which the full month's

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[242D-244A]

pay is drawn after the drawal of the first advance or the second advance as the case may be. These advances shall be sanctioned on the basis of the minimum of the scale of pay admissible only in all cases, even if in some cases higher starting pay might be admissible to the Gazetted Officers concerned.

243. Deleted.

(3) Advances to Junior I.A.S., I.F.S. and I.P.S. Officers

244. Each Junior Indian Administrative Service Officer on appointment as Assistant Collector, each Junior Indian Forest Service Officer on appointment as Assistant Conservator of Forests and each Junior Indian Police Service Officer on appointment as Assistant Superintendent of Police shall on application to Government through the Accountant-General be granted for the purchase of furniture and other necessary equipment an interest-free advance not exceeding Rs.500 (Rupees five hundred only). The advance shall be sanctioned only if applied for within three months of the Assistant Collector, Assistant Conservator of Forests and Assistant Superintendent of Police joining duty in the State on completion of training. The advance is not payable during leave. The advance shall be recovered by deduction at Rs.50 per mensem from his monthly pay, commencing with the first pay bill drawn, after the completion of period of two months from the date of drawal of the advance. An officer who draws the advance shall certify on the bill in which the first instalment of recovery is effected that the whole amount of the advance was utilised for the purposes for which it was sanctioned.

244-A. Special conditions for grant of advances in connection with the Leave Travel Concession to Officers belonging to All India Service on duty under the State Government:-



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[244A-cont.]

(1) A member of the All India Services is eligible for an advance for leave travel journeys if he wishes to avail of such concession while proceeding on leave. The State Government Officers, who are their own Controlling Officers for purposes of sanctioning of travelling allowance may sanction the advance to themselves. In other cases, the Controlling Officers concerned will sanction the advance.

(2) The following provisions shall regulate the grant of such advances:

(i) The amount of advance in each case shall be limited to four fifths of the estimated amount which Government would have to reimburse in respect of the cost of journeys both ways to the home town and back.

(ii) Where the officer and members of his family avail themselves of leave travel concession separately, i.e. at different times there would be no objection to the advance being drawn separately to the extent admissible.

(iii) (a) The advance may be drawn for both the forward and return journeys of the officers and/or the members of his family at the time of the commencement of the forward journey, provided the period of leave taken by the officer or the period of anticipated absence of the members of the family does not exceed three months or 90 days;

(b) Where the period of leave or the period of anticipated absence exceeds three months or 90 days, the advance can be drawn for the forward journey only; and

(c) Where an advance has been drawn for both the forward and the return journeys and later it becomes clear that the period of absence either of the officer or the officer's family from

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headquarters is likely to exceed three months or ninety days, one-half of the advance shall be refunded to Government forthwith.

(iv) Where it is proposed to perform the initial part of the outward journey by rail, the advance may be granted sixty days before the proposed date of the journey, but have to be refunded forthwith if the Government servant is not able to produce the cash receipt from Railways to show that he has utilised the amount of advance for the purchase of tickets within ten days of the drawal of advance.

In the case of non-issue of railway cash receipts the employee who has drawn an advance can produce ticket numbers to the Controlling authority within ten days of the drawal of the advance in order to show that the advance has been utilised for the purpose for which it was drawn.

Where the initial part of the outward journey is proposed to be performed otherwise than by rail, the advance may be granted thirty days in advance of the proposed date of journey. But the advance shall have to be refunded forthwith if the outward journey is not commenced within thirty days of the grant of advance.

(v) (a) The account of advance drawn for leave travel journeys should be rendered after completion of the journeys in the same way as for an advance of travelling allowance on tour;

(b) The travelling allowance claim, in adjustment of the advance drawn, should be prepared within one month of the completion of the return journey.

(c) Where advances are sanctioned separately for each different group of members of family of the officer, adjustment of claims may be permitted

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to be made separately. Where, however, a consolidated advance is drawn by the Officer in respect of members of his family, the adjustment can be prepared in a single bill.

(vi) The amount of advance will be debited under the head "Travelling Allowances" subordinate to the appropriate final head of account to which the pay, etc., of the Government servant concerned are debited and the adjustment of the advance will be watched through objection book by the Audit Officer/Accounts Officer concerned.

(vii) (a) The above provisions apply *mutatis mutandis* to a member of the All-India Service who is on deputation to the Government of India or to any other State Government, if he wishes to proceed on leave immediately on reversion to his parent Government and to join the parent Government on the expiry of such leave. In the leave applications of the reverting officer, the fact that he would be availing the Leave Travel Concession during the period of leave will have to be mentioned by him. The borrowing Government may, while forwarding the leave application to the lending Government for sanction inform the latter Government that in the event of leave being sanctioned, they would sanction advance to the extent admissible. On receipt of intimation regarding sanction of leave, the borrowing Government may sanction the advance and endorse a copy to the lending Governments which will keep a watch on the adjustment of Leave Travel Concession advances.

(b) The procedure in sub-paragraph (c) above may be made applicable in the event of the reverting officer applying for leave and intending to avail of, during the leave, the leave travel concession himself or with any or all members of his family. If, during the period of leave in question, any or all members of his family alone

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[244A-246]

intend to avail of the concession and not the officer himself, even then, the procedure is applicable.

(c) The Leave Travel Concession advance granted by the borrowing Government will be adjusted against the account of the Government, which is ultimately liable to bear the expenditure on account of the leave travel concession availed of by the officer concerned and/or his family. The necessary book adjustment shall, however be arranged to be made through the Accountant-General.

245. Deleted.

(ii) SPECIAL ADVANCES

General

246. This head includes the following:-

- (1) imprests for minor irrigation works and works pertaining to rural water-supply schemes,
- (2) advance to contractors for making supplies to the Agriculture Department,
- (3) advances for the destruction of agricultural pests and diseases,
- (4) advances for the settlement of habitual offenders,
- (5) advances to Kallars,
- (6) advances for erecting temporary sheds in plague affected area,
- (7) advances to Government Press Employees for paying examination fees,
- (8) advances to hostels,

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(246-247]

(9) advances for rural re-construction works,

(10) advances to headconstables and constables; to the staff of the Finger Print Bureau, Vellore; to naiks and havildars of the Tamil Nadu special Police Battalions and to the personnel in the Fire Service Branch of the rank of leading firemen and below, for the purchase of spectacles,

(11) interest-free advances not exceeding Rs.350 to Gazetted Officers, Non-Gazetted Officers and employees of local bodies drawing salaries, not exceeding Rs.300 per mensem to meet the initial expenditure on the purchase of hearing aids,

(12) advances to Non-Gazetted Government servants suffering from pulmonary tuberculosis or leprosy,

(13) imprest advances sanctioned to the units of the Industries and Commerce Department, and

(14) Any other interest free special advance not classifiable under the heads.

NOTE:- For advances for few suits, which are debited to the service head concerned as Contingent charge, see Article 101.

The general or special orders of the Government governing each class of the advance mentioned above contain the special conditions that apply to them. The more important provisions are set out in Articles 247 to 255-C.

(I) Imprest for Minor Irrigation works and works pertaining to Rural Water Supply Scheme

247. At the beginning of each year the Collector of a district should communicate to each Tahsildar a list of repairs to minor irrigation

**LOANS AND ADVANCES**  
**[247-250]**

works sanctioned for execution in the year. In connection with these repairs, he may grant an imprest not exceeding Rs.500 to each Tahsildar. The advance should be drawn from the treasury in round sums only as and when required, and should be adjusted from time to time by detailed bills forwarded with voucher to the Revenue Divisional Officer who should check and countersign them and forward them to the Treasury Officer for adjustment. When the imprest or any part of it is no longer required e.g., when the rainy season starts and work ceases, it should be refunded to the treasury in round sums.

Subject to the general conditions stated above, the Collector of a district may also grant an imprest not exceeding Rs.350 to the Tahsildar concerned in connection with the execution of a work pertaining to Water Supply Schemes.

248 and 249 Deleted.

**(2) Advances to contractor for making supplies  
to Agricultural Department**

250. Any head of an office in the Agricultural Department who is a gazetted officer may grant an advance not exceeding Rs.100 to a contractor for the supply of an article, subject to the following conditions:-

(i) every advance must be made on the personal responsibility of the head of the office concerned,

(ii) no advance should be sanctioned as a matter of course, or unless it is really essential,

(iii) no second advance may be given to the same contractor until the first one has been cleared, and

LOANS AND ADVANCES  
{250-252}

(iv) the maximum limit of Rs.100 applies to the total amount of advances made for the supply of articles of any one class, even when they are made to several contractors.

**(3) Advances for the destruction of Agricultural pests and diseases**

251. A Government servant who is appointed as an inspecting officer under the Madras Agricultural Pests and Diseases Act, 1919 (Madras Act III of 1919), may draw an advance of Rs.25, from which he should meet the cost of the remedial or preventive measures taken by him under the Act.

As the work progresses, the inspecting officer should submit to the Tahsildar or the Deputy Tahsildar in-charge of the sub-treasury concerned the vouchers in support of the expenditure incurred by him from the advance and, on finishing the work he should refund any unexpended balance. The cost of the remedial or preventive measures taken by the inspecting officer under the Act should be recovered from the occupiers of the area concerned in accordance with the rules and orders issued under the Act.

**4. Advances for the settlement of Denotified Tribes.**

252. The Collector of South Arcot in respect of Aziznagar Settlement and the Director of Backward Classes in respect of other Denotified Tribes Settlement, may grant advances as shown below, to settlers subject to the budget provisions in each year.

## LOANS AND ADVANCES

[252-cont.]

| Nature and purpose<br>of the advance   | Maximum<br>advance<br>for each<br>settler | Period of recovery            |
|--|---|-------------------------------|
| (1)  | (2)                                       | (3)                           |
| (a) Industrial<br>advances for<br>the purpose of<br>looms and raw<br>materials.                | Rs.<br>200                                | Not more than one<br>year.    |
| (b) Agricultural<br>Advance for<br>the purpose of<br>implements, seed<br>manure and<br>cattle. | 200                                       | Not more than<br>three years. |

NOTE:- Collector of South Arcot in respect of Aziznagar Settlement and the Director of Backward Classes in respect of other Denotified Tribe Settlement may sanction an extension of time not exceeding two years for the repayment of an advance.

The advances should be made and recovered through co-operative societies, as far as possible. At a Settlement where there is no co-operative society, the advances may be made to the individual settlers and recovered through the Manager.

Collector of South Arcot in respect of Aziznagar Settlement and the Director of Backward Classes in respect of other Denotified Tribes Settlement may also place at the disposal of each



LOANS AND ADVANCES  
[252-253]

Manager of Denotified Tribes Settlement run by the Government a lumpsum of Rs.200 each year from the funds at his disposal, for granting advances to the settlers for agricultural purposes. The Manager of a Government Settlement may grant an ... exceeding Rs.10 to an individual settler for the purchase of seed, agricultural implements and similar articles necessary for the cultivation of his land. Such advances should be recovered within one year. The Manager should report to the Collector of South Arcot in respect of Aziznagar Settlement and to the Director of Backward Classes in respect of other Denotified Tribes Settlement for subsequent approval of all advances which he makes. If he does not expect to be able to utilize in full his allotment of Rs.200, he should surrender the balance in time towards the end of the year.

NOTE:- Collector of South Arcot in respect of Aziznagar Settlement and the Director of Backward Classes in respect of other Denotified Tribes Settlement may also sanction agriculture advances to ex-convicts who are sent to Settlements as voluntary settlers subject to the conditions laid down in this Article. He should pay due regard to the probable length of the settlers' stay in the Settlement.

(5) Advances to Kallars

253. The Director of Adi Dravidar Welfare may grant advances up to a total amount of Rs.2,000 in each year to Kallars in the Madurai and Ramanathapuram districts for the purchase of implements and raw materials required for home-weaving and other industrial purposes.

The maximum limit for an advance to an individual and the other conditions prescribed for industrial advances under Article 252 apply to these advances also.

**LOANS AND ADVANCES**  
**[254-255A]**

**(6) Advances for erecting temporary sheds in  
plague affected areas**

254. Subject to the provisions of clause (2) of Article 227, the head of a department (see Appendix 1) may grant an advance not exceeding one month's substantive pay to each Non-Gazetted Government Servant (including menials) of his department employed in a plague-affected area for erecting a temporary shed. The advance should be recovered in six equal monthly instalments.

**(7) Advances for Government Press Employees  
for paying Examination Fees**

255. The Works Manager, Government Press, Madras, may grant an advance of Rs.6 for the lower grade and Rs.12 for the higher grade examination in proof-reading to any employee of the Government Press who is required to pass the examination and whose monthly pay does not exceed Rs.40, to enable him to pay the examination fee. The advance should be recovered in four equal monthly instalments beginning with the first occasion on which a full month's pay is drawn after the advance is made.

**(8) Advances to Head Constables, etc., for the  
purchase of spectacles**

255-A. (1) Superintendents of Police and Deputy Commissioner of Police (Headquarters), Madras City, may sanction advance to head constables and constables with defective eye-sight to enable them to purchase spectacles subject to the following conditions:-

(i) The advance should be limited to actual requirements subject to a maximum of Rs.35 in each case and the officer sanctioning the advance should satisfy himself that the amount is utilized for the purpose for which it is granted;

**LOANS AND ADVANCES**  
[255A-cont.]

(ii) The advance should be granted only to persons who, in the opinion of the sanctioning officer, are unable to buy spectacle without it. As it is an interest-free advance, it should not be granted as a matter of course to all those who apply; and

(iii) The advance should be recovered in not more than eighteen monthly instalments.

(2) The Principal, Police Training College, Vellore, the Commandant, Tamil Nadu Special Police Battalion, Avadi, and the Commandant, Special Armed Police, Red Hills,, respectively may sanction advances to the staff of the Finger Print Bureau, Vellore, to the Havildars, Naiks, Constables and Lance Naiks of the Tamil Nadu Special Police Battalion, and to Havildars, Naiks, Constables and Lance Naiks of Special Armed Police with defective eye-sight to enable them to purchase spectacles subject to the conditions mentioned in sub-paragraph (1) above.

(3) The Divisional Fire Officers and the Deputy Director of Fire Service may sanction advances to Fire Subordinates of the rank of Leading Fireman and below with defective eye-sight to enable them to purchase spectacles, subject to the conditions mentioned in sub-paragraph(1) above.

NOTE:- 1 Advances for the renewal of spectacles may also be sanctioned in the cases governed by the article subject to the same condition as are applicable to the fifth advance, provided that no previous advance is outstanding against the individual concerned.

NOTE:- 2 The sanctioning authority should furnish a certificate in the orders sanctioning the advance that the advance which is sanctioned is either a first advance or a renewal advance and should certify in the case of a renewal advance that he has satisfied himself about the need for the renewal.

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[255B]

(9) Advances to meet the initial expenditure  
on the purchase of hearing-aids

255-B. These advances are sanctioned subject to the following rules:-

(i) Only the permanent employees and approved probationers with more than five years of total service in a regular capacity will be eligible for the advance.

NOTE - Hearing-aid advance may be granted to the Family Members of the Non-Gazetted Government Officers also. The total number of such cases should not exceed 50 in a year.

(ii) The application for an advance should be submitted to the Government through the Director of Treasuries and Accounts, Madras, who will forward it to the Heads of Departments concerned with a certificate regarding the availability of fund under the Head of Account "Advances for the purchase of hearing-aids".

(iii) The application should be supported by a certificate from the authorised medical attendant or the specialist attached to the Ear, Nose and Throat Department of a Government Hospital to the effect that the hearing-aid is necessary. Such a certificate should also indicate the type of hearing-aid and the approximate cost thereof.

(iv) The amount of advance should be fixed with reference to the approximate cost given in the certificate of the authorised medical attendant or the Ear, Nose and Throat Specialist. Fifty per cent of the amount of advance should be recovered from the Government servants in monthly instalments not exceeding twenty-four. The remaining half of the amount of advance, which is reimbursable to the entitled personnel be treated as reimbursement immediately after the entitled personnel produce

LOANS AND ADVANCES  
[255B-cont.]

the necessary voucher in support of the payment towards the purchase of hearing aids and adjusted by initial book adjustment by per contra debit to the detailed head "Medical Charges" under the relevant service head of the personnel concerned.

(v) The Government servant should purchase the hearing aid within one month from the date of drawal of the advance and produce to the head of office necessary voucher to show that he has spent not less than the amount of advance on the purchase of hearing aid. If the cost of the hearing aid is less than the amount of advance, he should immediately refund the excess amount. As soon as the Government servant purchases the hearing aid and produces the voucher to the head of his office (in the case of the non-Gazetted Officers) a certificate should be furnished by the head of office concerned to the Director of Treasuries and Accounts, Madras, in the following form to enable him to make necessary adjustment.

As regards Gazetted Officers, they should furnish the certificate along with the voucher for the purchase price of hearing-aid to the Director of Treasuries and Accounts, Madras.

(For Non-Gazetted Officers)

Certified that the advance of Rs.....  
(rupees ..... only) for the  
purchase of hearing-aid to Thiru  
..... sanctioned in G.O. Ms.  
No....., dated ..... was fully utilised  
by the grantee/was utilised to the extent of  
Rs..... by the grantee .....  
and the excess amount of Rs..... was  
refunded under chalan No....., dated .....  
into the .....

LOANS AND ADVANCES  
[255B-cont.]

The grantee has produced necessary voucher for the purchase of the hearing-aid for Rs..... (rupees ..... only).

Signature and designation of  
the Head of the Office.

Date:

(For Gazetted Officers)

I, Thiru .....  
certify that the advance of Rs.....  
(rupees ..... only) for the  
purchase of hearing aid sanctioned to me in G.O.  
Ms. No. ...., dated  
..... was fully utilised/was utilised  
to the extent of Rs..... and the  
excess amount of Rs..... was refunded under  
chalan No....., dated ..... into the  
..... The voucher of the  
payment of cost of hearing aid is forwarded  
herewith.

Signature and designation of the  
officer.

Date:

(vi) The responsibility of watching and effecting recovery of the advance rests on the sanctioning or pay disbursing authorities.

**LOANS AND ADVANCES**  
[255C-255D]

**10. Advances to Government servants suffering from Pulmonary Tuberculosis or Leprosy**

255-C. An advance equal to two months basic pay may be granted to all Government servants suffering from Pulmonary Tuberculosis, Leprosy or Cancer and drawing a pay not exceeding Rs.1,000 per mensem. The advance shall be recoverable in full, in not more than eighteen monthly instalments, during the period when the Government servant enjoys full leave salary. However, this concession will not be extended, in case, a relapse occurs after the Government servant joins duty.

255-D. An imprest of Rs.15,000 may be drawn by each of the following units of the Industries and Commerce Department:-

- (i) Electro-Medical Equipment Centre at Guindy
- (ii) Electro-Medical Equipment Centre at Madurai
- (iii) Electro-Medical Equipment Centre at Thanjavur.
- (iv) Electro-Medical Equipment Centre at Coimbatore.

The amount shall be deposited in a Personal Deposit Account to be opened in the name of the officer-in-charge of each unit mentioned above. Payments should be made from the personal Deposit Account in the first instance and then a detailed bill presented at the treasury for payments by debiting the expenditure to the service head per contra credit to the Personal Deposit Account.

All contingent bills relating to the units mentioned above should be paid by transfer, credit to the Personal Deposit Account only. No cash payment will be allowed. All payments made from the Personal Deposit Account should be recouped

**LOANS AND ADVANCES**  
**[255D-257]**

before 31st March of the year and the imprest advance remitted to Government account on 31st March of the year by closing the Personal Deposit Account. The Personal Deposit Account may be opened again at the beginning of the next year by drawing an imprest bill.

**(iii) REVENUE ADVANCE**

256. The following advances fall under this head:-

Advances for demarcation purposes.

Advances for replacing missing boundary marks.

The detailed rules regarding the grant of these advances to Government servants of the Revenue and Survey Departments and their subsequent adjustment are contained in the Revenue Standing Orders and the Madras Survey Manual.

**(iv) FOREST ADVANCES**

257. A Government servant in the Forest Department who is not in charge of a District Forest Office may, in accordance with Departmental regulations, be entrusted with a sum of money not exceeding a specified amount as an advance for executing works or for meeting current expenditure including contingent expenses and petty disbursement under travelling allowances.

The responsibility for the repayment of an advance rests primarily with the Government servant who receives it, but the Divisional Forest Officer or the State Wild Life Officer is also responsible for the recovery of all advances made to his subordinates.



**LOANS AND ADVANCES**  
**[258-260]**

**(v) PERMANENT ADVANCES**

258. The rules relating to permanent advances are contained in Articles 94-98 and 106-107.

**(vi) PERIODICAL REVIEW OF LOAN**

259. The Accountant-General will furnish the Government with annual statements of all outstanding loans to enable the Government to review the transactions.

**(vii) IRRECOVERABLE LOANS AND ADVANCES**

**Duties and powers of officers to write-off**

260. In respect of advances for the detailed control, accounting and supervision of which the departmental Government servants are responsible, it is the duty of the departmental Government servant concerned when any advance is ascertained to be irrecoverable, to take the necessary steps to get written-off the accounts under the sanction of the competent authority, and to advise the Accountant-General when it is written off in order that he may make the necessary adjustments in the accounts. Irrecoverable advances written-off should be registered by the departmental Government servant concerned in a separate record in order that any recovery eventually found to be possible may be made.

The Government servants mentioned in Appendix 21 are authorised to remit or write-off loans and advances to the extent stated. Any such remission or write-off not covered by the powers specified in Appendix 21 requires the sanction of the Government.

## CHAPTER II - DEPOSITS

## Introductory

[261]

261. In connection with the transaction of public business the Government receive moneys deposited with them for various purposes, by or on behalf of various public bodies and members of the public, and afterwards account for them by repayment or otherwise. Any department of the Government may receive such deposits; a large number of them relate to the revenue administration or the administration of justice. In relation to certain classes of deposits, e.g., Deposits of Local Funds, the Government's function is merely that of a banker; in connection with certain other classes, e.g., Civil Deposits, they also control the administration of the moneys.

The Government some times decide to set aside sums from the revenues of a year or a series of year to be accumulated as a fund the balance at the credit of which is held as a deposit and expended on specified objects. They also receive contributions from other sources to some such funds which they administer.

The transactions relating to moneys of the kinds described above are accounted for in the "Deposit Section" of the Government accounts.

This Chapter deals with "Civil Deposits", which include the classes of deposits closely connected with the administration of various Government departments and controlled by the Government.

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[262-263]

**Classes of Civil deposits**

262. "Civil Deposits" include -

- (i) Revenue Deposits.
- (ii) Civil Courts Deposits.
- (iii) Criminal Courts Deposits.
- (iv) Personal Deposits.
- (v) Public Works Deposits.
- (vi) Trust Interest Funds.
- (vii) Deposits for work done for public bodies or private individuals.
- (viii) Unclaimed Provident Fund Deposits.
- (ix) Deposits of subscription for a Government loan.
- (x) Deposits in connection with elections.

The kinds of deposits included under each of the heads (i) to (vi) above are specified in APPENDIX 19. The nature of the deposits included under the other heads is briefly explained below.

**Trust Interest Funds**

263. Transactions relating to interest on securities held by the Examiner of Local Fund Accounts as Treasurer of Charitable Endowments or on account of Miscellaneous Trusts are recorded under this head.

**DEPOSITS**  
[264-267]

**Deposits for work done for public bodies  
or private individuals**

264. These deposits are made with the Government by local or other bodies financially independent of the Government to cover the payment of compensation for land which the Government propose to acquire for such bodies under the Land Acquisition Act, 1894 (India Act I of 1894) (see the detailed rules in the Madras Land Acquisition Manual).

**Unclaimed Provident Fund Deposits**

265. Amounts standing at the credit of subscribers in Provident Funds under the control of the Government are transferred to this year at the end of a year if they have remained unclaimed for a period exceeding six months from the date when the subscriber ceased to be in the service of the Government.

**Deposits of subscriptions for a Government loan**

266. This head is opened temporarily whenever the Government raise a loan in the open market.

266-A. Deleted.

**Deposits in connection with Elections**

266-B. "Deposits of candidates standing for Elections to the State Legislature" and "Deposits on challenged votes, received in connection with Elections to the State Legislature" are classified under this minor head.

**General Principles and Rules**

267. The treasury should not credit any amount under a deposit head without the formal sanction of the competent authority. As a general

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[267-cont.]

rule no amount should be credited under a deposit head if it can be properly credited to some other known head in the Government account. The Treasury or Sub-treasury Officer should see that this rule is strictly followed and make representations to the court or other authority ordering the acceptance of a deposit, if he considers that the amount should be credited under some other head of account.

In particular, the following items should not be treated as deposits, but should be credited, on receipt to the departmental head of account most nearly concerned, in accordance with the authorized procedure:-

- (i) Revenue paid to the Government on account of a demand yet due.
- (ii) Land revenue and cesses collected in one taluk on account of another.
- (iii) Receipts for which full particulars are not available.

NOTE:- These should be credited as miscellaneous receipts and adjusted to the proper head subsequently if necessary.

- (iv) Any pay pension or allowance or part thereof on the ground of the absence of the payee or for any other reason

NOTE:- In a district office pay should not be drawn till the claimant appears.

- (v) Fines realized in cases in which an appeal is pending except to the extent indicated in Part III of Appendix 19.

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[267-269]

- (vi) Refunds of receipts (including stamp refunds) pending a claim for refund.
- (vii) Sale-proceeds of unclaimed property, except to the extent indicated in Part III of Appendix 19.
- (viii) Initial receipts of less than one rupee and balances of deposits due for refund of less than one rupee, except when they are credited to a deposit head under the orders of a court or received in connection with the acquisition or sale of land.

268. No transactions other than cash transactions may be accounted for in the deposit section of the Government account. Security deposits received from contractors, Government servant, etc., in forms other than cash, and jewels or other property received for safe custody and return in kind should be brought on to the special registers prescribed for the purposes. They should not be credited as revenue or brought on to the deposit register even though their value is stated in money - see Articles 276 and 278.

269. No money tendered as Personal Deposits by private individuals or by Government servants acting otherwise than in their official capacity and no funds of quasi public institutions, even though they are aided by the Government, may be accepted for deposit in a treasury except under an order of the Government.

Balances in the Personal Deposit accounts do not lapse to Government under Article 271, if outstanding for more than three complete account years. Except where by law or rules having the force of law, personal deposit accounts are created by transferring funds from the Consolidated Fund

DEPOSITS  
[269-271]

for discharging liabilities of the Government arising out of special enactments personal deposit accounts created by debit to the Consolidated Fund should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund, the Personal Deposit Accounts being opened next year again, if necessary in the usual manner. If a personal deposit account is not operated upon for a considerable period and there is reason to believe that need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account has been opened.

270. The procedure to be followed by Government servants in paying moneys received as deposits into the treasury or the Bank and subsequently withdrawing them, when necessary for repayment to the depositors or other persons entitled to them is prescribed in the Tamil Nadu Treasury Code (see subsidiary rules and instructions under Treasury Rules 10 and 16).

**Lapse of deposits to the Government**

271. In certain circumstances deposits lapse to the Government and are credited to the Government under the appropriate revenue head of account. The following rules specify these circumstances:-

**(i) Revenue deposits**

Deposits not exceeding five rupees made in a financial year and unclaimed will lapse to Government only after the expiry of one complete financial year. Balance not exceeding five rupees in each case of deposits partly repaid during the year then closing, and all deposits unclaimed for

DEPOSITS  
[271-cont.]

more than four complete financial years should be credited to the Government at the close of March in each year.

NOTE:- 1 In respect of security deposits under the Kuthagai Pattam Rules the transferred areas for the proper conduct of leases, the period prescribed for the lapse of Revenue Deposits under this Article shall be calculated from the date of expiry of the lease.

NOTE:- 2 In the case of security deposits taken from the licensees under the various Control Orders in the State, the time-limit for lapse shall be calculated from the date of expiry of the licences.

NOTE:- 3 In the case of initial deposits furnished by the applicants applying for mechanized fishing boats and the payment of balance amount towards security deposit the time-limit for lapses shall be from the date on which the last instalment of loan amount is repayable from the hirer of boats.

*Exception (1) - In the case of caution deposits taken from student apprentices, etc., in the following Government institutions, the time-limit for lapse will be as indicated below:-*

|  | Time limit for lapse |
|--|----------------------|
| (1) Caution deposits taken from pupil mid-wives and pupil compounders under going training in Government Medical Institutions. | Two financial years  |



DEPOSITS  
[271-cont.]

(ii) Caution deposits collected from the trainees in Industrial Training Institutes and Centres run by the Department of Employment and Training.

Three financial years from the date of completion of the training except in the case in General Mechanics course where the time-limit will be seven financial years.

(iii) Caution deposits taken from students in the Agricultural College and Research Institute, Coimbatore.

Six financial years.

(iv) Caution deposits collected from students in the Government Engineering Colleges.

Eight financial years. Amount of caution deposits which were due for repayment on any day prior to 25th September 1964 but which have not yet been repaid shall also be repaid if they have not remained under revenue deposit for more than 8 years in each case.

(v) Caution and/or Library deposits taken from the students of the Government Medical Colleges, the Veterinary College Hostel, Madras, all the Government Polytechnics, Institute of Leather Technology, Madras

Seven financial years.

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[271-cont.]

Regional School of  
Printing, Madras and the  
Government Textile  
Institute Madras, from  
Apprentices in the  
Industrial Engineering  
Workshops, Madras and from  
Boarders in the Government  
Nandanar Hostel for Boys,  
Chidambaram.

(vi) Caution money      Five financial years.  
deposits from the students  
of the Crafts sections in  
the School of Arts and  
Crafts, Madras.

*Exception (2) - Shooting licence deposits in the Forest Department may be carried over from year to year without limitation when the licences are renewed.*

*Exception 2 (a) - Caution Money Deposits collected from the members of Civilian Rifle Training Centres attached to the Police Departments may be carried over from year to year without limitation when the licences are renewed.*

*Exception (3) - The time-limit for lapse will not apply to caution deposits taken from members borrowing books from the Connemara Public Library, Madras.*

*Exception (4) - Deposits made by the patients for the occupation of the double cottages in the Government Tuberculosis Sanatorium, Tambaram may be carried over from year to year until it is drawn under the orders of the competent authority for being utilized on the construction of double cottages in the Sanatorium.*

DEPOSITS  
[271-cont.]

*Exception (5)* - The security deposits made by or on behalf of proprietors of cinema theatres under the Tamil Nadu Entertainments Tax Act, 1939 or the Tamil Nadu Local Authorities Finance Act, 1961, may be carried over from year to year without limitation, so long as the proprietor continues to be liable to pay any amount under the provisions of the Tamil Nadu Entertainments Tax Act, 1939 or the Tamil Nadu Local Authorities Finance Act, 1961.

*Exception (6)* - The security furnished in cash by the industrialists, lessees of canteens, shops and other buildings in the industrial estates and colonies belonging to the Department of Industries and Commerce towards advance rent will lapse to the Government in the same manner as other kinds of revenue deposits except that the age of the deposit or the balance of deposit not yet repaid should be reckoned from the date when the deposit or balance, as the case may be first becomes repayable.

*Exception (7)* - The time-limit for lapse will not apply to the security deposits furnished by Government servants dealing with cash and properties.

*Exception (8)* - Revenue deposits remitted by Co-operative Societies on behalf of the staff deputed under Fundamental Rule 127 in the Co-operative Department may be carried over from year to year without limitation during the currency of the posts. The period of limitation in such cases will commence from the date of retrenchment of the posts.

Retrenchment of the posts should be promptly reported to the Treasuries and Sub-Treasuries by the Departmental Officers concerned.

DEPOSITS  
[271-cont.]

*Exception (9)* - Security deposits remitted by lessees under the Mineral Concession Rules, 1960, may be carried over from year to year without limitation during the currency of the lease. The period of limitation in such cases will commence from the date of expiry of the lease.

*Exception (10)* - Security deposits furnished by the Agents, Tamil Nadu Raffle Scheme may be carried over from year to year without limitation during the currency of their agencies. The period of limitation in such cases will commence from the date of termination/suspension of the agencies. The fact of termination/suspension of the agencies should be promptly reported to the Treasuries and Sub-Treasuries by the Departmental Officers concerned.

*Exception (11)* - In respect of the scheme for supply of oil engines and electric motor pumpsets to the farmers in the Agriculture Department through the Land Development Bank or Nationalised Bank, the time-limit for lapse of Earnest Money Deposits furnished by the firms in the permanent list of approved firms, be calculated from the date on which a particular firm ceases to be in the permanent list maintained by the Agriculture Department.

*Exception (12)* - The Security Deposits made on behalf of the dealers registered under the Tamil Nadu General Sales Tax Act, 1959 may be carried over from year to year without limitation so long as the said registered dealer continues to be liable to pay any amount under the provisions of the Tamil Nadu General Sales Tax Act, 1959.

*Exception (13)* - Security deposits furnished by the Agents for the licence of goods booking agencies may be carried over from year to year without limitation during the currency of their agencies. The period of limitation in such cases

**DEPOSITS**  
[271-cont.]

will commence from the date of surrender/cancellation of the agent's licence. The fact of surrender/cancellation of the agencies should be promptly reported to the treasuries and sub-treasuries by the departmental authorities concerned.

(ii) Civil and Criminal Court's deposits

(a) *High Court's deposits* - Section I of the Unclaimed Deposits Act, 1866 (India Act XXV of 1866), governs the lapsing of these deposits to the Government.

(b) *Deposits of the Presidency Court of Small Causes* - The lapsing of these deposits to the Government is governed by the rules framed by the High Court and approved by the Government under the Presidency Small Cause Courts Act, 1882 (India Act XV of 1882). These rules are embodied in the pamphlet entitled "Rules pertaining to the accounts of the Presidency Court of Small Causes, Madras."

(c) (i) *Other Civil and Criminal Courts deposits (Excluding deposits under the payment of Wages Act, 1936)* - The lapsing of these deposits to the Government is governed by the rules issued by the High Court in this behalf.

NOTE:- The period of lapse for Civil Court's Deposits and Criminal Court's Deposits is four years (see Rule 52 under Chapter III in Part I of the Civil Rules of Practice and Circular Orders, Volume II and Rule 329 of the Criminal Rules of Practice and Circular Orders as amended). The four years referred to in this Rule should be computed with reference to the date of the last payment and not from the date of the original deposits.

(ii) *Deposits under the Payment of Wages Act, 1936* - Amount due to a worker under section 15 of the Payment of Wages Act, 1936, should be drawn by

DEPOSITS  
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the worker or any person entitled to claim it on his behalf from the authority appointed under section 15, sub-section (1) of the said Act within a period of three years from the date on which the amount is deposited with or received by the said authority. If it is not drawn within this period, it shall at the end of the financial year in which the said period of three years expired be treated as unclaimed deposit and credited to the State Government by book adjustment by the Accountant-General on receipt of detailed statements from the authority concerned. A similar procedure should be followed in respect of unclaimed deposits recovered by the Industrial Tribunals under section 20, sub-section (5) of the Minimum Wages Act, 1948.

(iii) *Deposits under the Workmen's Compensation Act, 1923 towards witness batta* - Amount deposited as Witness Batta under the Workmen's Compensation Act, 1923 should be drawn by the witness within a period of three years from the date on which the amount is deposited with or received by the Commissioner or Additional Commissioner for Workmen's Compensation. If it is not drawn within this period, it shall at the end of the financial year in which the said period of three years expired be treated as unclaimed deposit and credited to the State Government.

(iii) Personal deposits

(1) *Official Assignees' deposits* - All balances in the hands of the Official Assignee which have not been increased or diminished by any transaction for three complete financial years lapse to the Government.

(2) *Official Receivers' deposits* - The lapsing of these deposits is governed by the rules issued by the Hon'ble the Chief Justice, High Court of Judicature at Madras in this behalf.

**DEPOSITS**  
[271-cont.]

(3) *Cash deposits of patients in Government Hospitals (Cash receipts other than cash deposits towards hospital stoppages)* - These deposits should be allowed to lapse to Government if they remain unclaimed for more than three complete financial years.

(4) *Estate Abolition Tribunal's Deposits* - All balances in the District Civil Courts which have not been increased or diminished by any transaction for three complete financial years lapse to the Government.

**(iv) Public Works deposits**

These deposits lapse to the Government in the same manner as "Revenue deposits" - item (i) above, except that the age of a Public Works Deposit or the balance of a Public Works Deposit not yet repaid should be reckoned from the date when the deposit or balance as the case may be, first becomes repayable.

**(v) Works deposits - Deposits for work of Land Acquisition for Public bodies or individuals**

These deposits lapse to Government in the following manner:-

Deposits not exceeding the five rupees made in a financial year and balances not exceeding five rupees of deposits partly repaid during a year and remaining unclaimed will lapse to Government only after the expiry of three complete financial years. All deposits exceeding five rupees and unclaimed for more than five complete financial years shall lapse to Government. The amounts lapsed as above should be credited to the Government at the close of March in each year. The age of these deposits or the balance not yet repaid should be reckoned from the date when the deposit or balance as the case may be first becomes repayable.

## DEPOSITS

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272 (a). If the claim for the refund of the Deposit credited to Government under Article 271 is made within three years from the date of lapse (the limitation prescribed in Article 113 of Limitation Act, 1963), the Treasury Officers shall authorise the refund of the lapsed deposit in respect of which detailed accounts are kept by them. The claims preferred after three years from the date of lapse shall be treated as time barred under the provisions of Article 35 of Tamil Nadu Financial Code, Volume I and shall be paid only with the special sanction of the Head of Department and after pre-audit by the Accountant General. The authorisation for payment shall be issued on satisfying:-

1. that the item was really received;
2. that it was credited to the Government as lapsed;
3. that it is claimed by a person who might have drawn it before it lapsed; and
4. that the competent departmental authority has signed the refund application and furnished the necessary certificates as to the claimant's identity and title to the amount - see also Article 34."

NOTE:- The following officers are also empowered to sanction time barred lapsed deposits which are claimed within six years from the date of lapse:

1. District Collectors.
2. Deputy Commissioners (Commercial Taxes).
3. Joint Commissioner of Civil Supplies.



DEPOSITS  
[272-cont.]

4. Deputy Commissioner of Civil Supplies (city) (in respect of claims relating to Madras city and belt area).

(b) Claims for the refund of lapsed revenue deposits, security deposits, customs and opium, raffle deposits and works deposits preferred after six years from the date of lapse of the deposits shall be not entertained. The lapsed revenue deposits, security deposits, customs and opium, raffle deposits and works deposits statements shall be preserved for eight years.

CHAPTER XII - RESPONSIBILITY FOR LOSSES  
OF PUBLIC MONEYS OR PROPERTY  
[273-274]

General

273. The Government will hold a Government servant personally responsible for any loss sustained by the Government through fraud or negligence on his part and also for any loss sustained through fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence (See also Article 5).

The cardinal principle governing the assessment of responsibility for such losses is that every Government servant should exercise that same diligence and care in respect of all expenditure from public funds under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money (See also Article 3).

274. A Government servant who has to arrange for public moneys to be carried from one place to another by a messenger should take all reasonable precautions to prevent any loss in transit due to misappropriation of the moneys by the messenger or any other cause. He should pay due regard to all relevant factors including the status of the messenger employed and the distance over which the moneys have to be carried. As far as possible he should use for this purpose only permanent Government servants whom he knows to be reliable. When the amount to be carried is considerable, he should not entrust it to a single low-paid subordinate.

274-A. The following rules should be observed in cashing bills or in remitting money from one office to another. They prescribe the minimum precautions to be observed for safeguarding

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[274A-Cont.]

Government money outside a Government office in normal circumstances. If conditions are in any way abnormal, as when the general tranquility is disturbed or when the money has to be transported over a long distance or when crimes against property have been unusually ripe in any area, the officers should use their judgment as to the additional precautions that may be required. Officers can also relax at their discretion the requirements of the rules, where it is safe to do so and depute such other suitable persons as they deem fit; but the officers will be personally held responsible for any loss which may occur as a result of misuse of the direction. These rules do not apply to the remittance of treasure which is governed by the rules in the Tamil Nadu Treasury Code or to village officers remittances.

(a) Sums below Rs.1,000/-

- (i) If the sum is below Rs.500, a single peon should be employed.
- (ii) If the sum is Rs.500 or above, but less than Rs.1,000 two persons or a clerk should be employed.

(b) Sums of Rs.1,000 and above, but below Rs.5,000 - A clerk and a peon should be employed.

(c) Sums of Rs.5,000 and above, but below Rs.20,000 - Two clerks or a clerk and a shroff or two shroffs or an officer not lower in status than a Huzur Treasurer or a Taluk Head Accountant, accompanied by one or two peons should be employed.

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[274A-275]

- (d) Sums of Rs.20,000 and above - An officer not lower in status than a Huzur Treasurer or Taluk Head Accountant and a clerk or shroff with an escort of two peons should be employed.

NOTES:- (i) Officers must use their discretion as to the persons employed. A peon, recently entertained, or a peon whose honesty has been suspected should not be employed alone.

(ii) When a sum of money between Rs.5,000 and Rs.20,000 has to be brought from, or sent to the Bank or Treasury, only persons who hold substantive posts in Government service and have rendered a service of not less than ten years should be sent.

(iii) Special arrangements should be made, where this is essential or ordinarily when the amounts cashed are greatly in excess of Rs.20,000. If police escort is considered necessary, the previous general or special sanction of the Government should be obtained explaining fully the necessity for it.

(iv) The detailed rules relating to the Public Works and Public Departments are contained in the Madras Public Works Department Code and the Police Standing Orders respectively.

275. One important method by which the Government endeavor to minimise the risk of losses and ensure that it shall be possible to recover the amount of any loss that may be sustained is the taking of adequate security from certain Government servants who are entrusted with the custody or handling of Government cash in stores and from contractors who supply stores or execute works for

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[275-277]

the Government. This chapter contains the rules relating to (i) security deposits, and (ii) the action to be taken when any loss of public moneys or property occurs.

Security Deposits - Government servants

276. Every cashier, store-keeper, sub-store-keeper and other subordinate who is entrusted, whether permanently or temporarily, with the custody of Government cash or stores should ordinarily be required to furnish security and to execute a security bond setting forth the conditions under which the Government hold the security and may ultimately refund or appropriate it (see Article 283). A reference to each such bond should be recorded in the Register of Security Deposits. This register should be in Form 17, except when some other form is specially prescribed in the rules or orders applicable to any department. If preferred, the form prescribed for use in the Public Works Department may be adopted by any other department. The amount of security to be furnished by each such Government servant should be fixed with due regard to circumstances and local conditions in accordance with the rules contained in the departmental code or manual concerned and the relevant special orders of the Government, if any. If a case arises which does not fall clearly within the provisions of any existing rule or order, the head of the office should report the circumstances in full and obtain the specific orders of the head of the department or other prescribed authority as to whether security should be taken and if so, for what amount.

277. When a Government servant who has furnished security takes leave other than casual leave or is deputed on other duty, the Government servant who is appointed to officiate for him should be required to furnish the full amount of

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[277-279]

security prescribed for the post, unless a competent authority has authorized a relaxation of the rules regarding security applicable to his case.

In respect of securities furnished by Government servants, the authority competent to accept such securities on behalf of the Governor may condone the period not exceeding one month from the date of taking charge of the post concerned to the date on which the security is furnished.

NOTE:- The Director of Treasuries and Accounts is authorised to condone the delay in furnishing the security by the shroffs in the Treasuries and Accounts Department beyond the period of one month and up to six months from the date of appointment of any delay in effecting the renewal of the security by the shroffs in the form of fidelity guarantee bond as contemplated in Article 279 of Tamil Nadu Financial Code, Volume I.

**Security Deposits - Contractor**

278. Whenever a private person or a firm contracts with the Government to supply stores or execute a work, he or it should, unless exempted by a competent authority, be required to give security for the due fulfilment of the contract and suitable provisions regarding the security should be incorporated in the agreement executed with reference to Articles 128 and 166. A reference to the agreement should be recorded in the Register of Security Deposits - See Article 276.

**Forms of security and conditions on which they  
are accepted**

279. All Heads of Departments, Boards and Corporations, Local Bodies, etc. shall obtain security deposits from contractors for execution of

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[279-Cont.]

works, supply of materials, supply of finished goods, etc., only in the shape of small savings scrips/deposits/accounts. The type and duration of scrips/ deposits/accounts shall be decided with reference to the wishes of the contractors and the term of security deposits. These provisions will exclude the contractors who execute works for Tamil Nadu Housing and Slum Clearance Boards funded from HUDCO loan. The security taken from a Government servant should be in one of the following forms subject to the conditions noted against each or partly in one and partly in another of these forms when this is specially permitted by the departmental authority authorised to accept the security:-

| Forms<br>(1)  | Conditions<br>(2)   |
|---|---|
| (1) Cash  | The Government will pay no interest on any deposit held by them in the form of cash.  |
| (2) Promisory notes of the Government, the Central Government or any other State Government, municipal debentures or Port Trust Bonds or Tamil Nadu Electricity Board Bonds or Bond or Debentures issued by the Tamil Nadu Industrial Investment Corporation. | These securities should be accepted at 5 per cent below the market price or at the face value whichever is less, and should be duly endorsed in favour of the prescribed authority in accordance with the rules in Chapter X of the Government Securities Manual. Contractors who furnish security in this form should be required to endorse the securities in favour of |

RESPONSIBILITY FOR LOSSES OF  
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[279-Cont.]

| Forms<br>(1)  | Conditions<br>(2)  |
|---|--|
|   | the Executive Engineer in the Public Works Department and the District Forest Officer in the Forest Department and for debentures issued by the Tamil Nadu Water Supply and Drainage Board.  |
| 2(A) Units issued by the Unit Trust of India.   | Units may be accepted at their face value up to 20 per cent of the Security Deposit. Balance of the Security Deposit may be in any other forms as enunciated in this Article.  |
| (3) Stock certificates of the Government, Central Government or any other State Government. | These should be accepted at 5 per cent below the market prices or at the face value whichever is less. The person who furnishes these certificates as security should transfer them to the prescribed authority (in the name of his office) by registration in the books of Public Debt Office and produce evidence of such registration before the certificates are accepted as security deposit. Similarly, when the |



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PUBLIC MONEYS OR PROPERTY  
[279-Cont.]

Forms  
(1)

Conditions  
(2)

(4) Post Office Savings  
Bank deposits.

security has to be returned to the person who furnished it, authority concerned should effect the transfer by registration in the Public Debt Office - See the Rules contained in Chapter X of the Government Securities Manual.

A pass-book for a deposit made under Rule 45(b) of the Post Office Savings Bank Rules may be accepted as security, provided that the depositor assigned and delivered to the Postmaster a letter in the prescribed form, as required by Rule 45(f) of those Rules. Alternatively the Government servant or contractor who furnishes security may offer security in the form of cash with a request that it be deposited in the Post Office Savings Bank in the name of the pledgee (departmental authority which takes the security) in

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[279-Cont.]

| Forms<br>(1)   | Conditions<br>(2)   |
|--|---|
| (5) Post Office Cash Certificates and Savings Certificates issued by the Government. | <p style="text-align: right;">accordance with Rule (g) of the Post Office Savings Bank Rules (See Article 281).</p> <p>The certificates should be formally transferred to the pledgee with the sanction of the Head Postmaster in accordance with Rule 5 of the Post Office Cash Certificates Rules and should be accepted at their surrender value at the time of tender. In the event of the security given in the form of "savings certificates" being forfeited to the Government within the period during which the certificates are not encashable, the certificates should be retained by the Government servant holding the security for the minimum period required and then encashed for the purpose of appropriating to Government the amount due.</p> |

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONIES OR PROPERTY  
[279-Cont.]

Forms  
(1)

Conditions  
(2)

(6) Deposit receipts of the State Bank of India, the Tamil Nadu Co-operative Bank and the Co-operative Central Banks approved by the Registrar of Co-operative Societies for the purpose.

(i) The deposit receipt should be made out in the name of the pledgee or if it is made out in the name of the pledger, the bank should certify on it that the deposit can be withdrawn only on the demand or with the sanction of the pledgee.

(ii) The depositor should agree in writing to undertake any risks involved in the investment.

(iii) The bank should agree that, on receiving assigned treasury challan and a withdrawal order from the pledgee in respect of the deposit or any part of it, it will at once remit the amount specified into the nearest treasury along with the challan and send the treasury receipt to the pledgee.

(iv) The responsibility of the pledgee in connection with the deposit and the interest

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[279-Cont.]

Forms  
(1)

Conditions  
(2)

on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.

NOTE - The parties concerned may make either by a suitable deposit or a guarantee arrangement with any Bank which should deposit Government securities to cover the amount of security demand, with a margin of 5 percent below market value.

(7) Fidelity bonds of Insurance Companies approved by the Government for this purpose - See the list of approved firms in Appendix 20.

A fidelity bond in form 18 may be accepted as security in the case of a Government servant holding security posts temporarily for a period of less than three months in leave vacancies, subject to the condition, that the person is a regular Government servant, on whom the Government will have a hold for any lapses on his part at a later date. Fidelity bond may be accepted also from the Government servants regularly appointed to the security posts till they furnish cash security in one lumpsum within a

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[279-Cont.]

| Forms<br>(1)   | Conditions<br>(2)  |
|--|--|
| (8) Other forms of security specifically approved by the Government for acceptance of any particular department e.g. mortgages on real property and personal security in the Revenue Department. | specific period of six months or by recovery in monthly instalments at 20 per cent of their basic pay.   |
| (9) Treasury Savings Deposit Certificates and National Plan Certificates.  | Security in any such form should be accepted in the particular department concerned only in accordance with the rules and conditions laid down in the relevant departmental code or manual or in special orders of the Government. |
| (10) Post Office Time Deposits.  | These securities should be accepted at their surrender value.  |
| (10) Post Office Time Deposits.  | These accounts can be pledged as security to the President of India, Governor of State, Scheduled and Co-operative Banks, a local authority, a Corporation or a  |

NOTE:- When a work is executed on the piece-work contract system, security may also be taken in the form of percentage deductions made from the contractor's bills - See Article 163.

RESPONSIBILITY FOR LOSSES OF  
PUBLIC MONEYS OR PROPERTY  
[279-280]

| Forms<br>(1)  | Conditions<br>(2)  |
|---|--|
| (11) Deleted  | Government Company,<br>provided there should<br>not be more than one<br>deposit in the account<br>at the time of pledging.   |
| (12) Tamil Nadu Raffle<br>certificate - certifi-<br>cates issued by the<br>Government of Tamil<br>Nadu. | These should be accepted<br>as security deposits on<br>their face value from<br>the contractors. The<br>Government will pay no<br>interest on the<br>certificates. |

280. Security furnished in cash by a Government servant or a contractor may be converted, at the cost of the depositor, into one (or, when specially permitted, partly into one and partly into another) of the interest bearing forms of security mentioned in items (2) to (6) in the preceding Article, provided -

(i) that the depositor has expressly requested in writing that this be done; and

(ii) that the acceptances of the new form or forms of security is permissible under the rule and under the terms of the agreement or bond.

Cash actually received or recovered may be converted into an interest bearing form of security in the manner described above, even when it forms part of a deposit which is being paid in instalments and has not yet been realised in full.