

**GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
BUDGET**

No. 1301-FB

Calcutta, the 31st May, 1999.

MEMORANDUM

In supersession of the Finance Department Memo. No. 12180-F, dated 5.12.86 and Memo. No. 9275-F, dated 14.9.90 and No. 388-F, dated 11.1.95, the undersigned is directed to say that the Governor has been pleased to lay down the following provisions regulating grant of advance to the Government employees for the purchase of motor car, viz :

1) (a) The total amount of advance which may be granted to a Government employee for the purchase of a motor car for the first occasion shall not exceed one lakh and eighty thousand rupees, or sixteen months' basic pay of the Government employee or the anticipated price of the motor car whichever is the least. If the actual price of the motor car paid by the Government employee is less than the amount of the advance, he shall refund the balance to the Government forthwith.

b) The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor car shall be restricted to Rs. 1,60,000 (Rupees one lakh and sixty thousand) only less the profit earned on the sale of the previous car purchased with Government advance or eleven months' basic pay of the Government employee or the price of the car to be purchased whichever is the least. The expression 'profit' used in this Rule means the excess of the sale proceeds of the previous car purchased with the advance taken from Government over the purchase price paid by the Government employee.

Such second or subsequent advances for the purchase of a motor car will be admissible only after four years, reckoned from the date of drawal of the last advance, have elapsed, provided that this restriction of four years shall not apply in the following cases :

(i) where an advance had been allowed earlier for the purchase of a motor cycle but it is desired to draw the advance for the purchase of motor car;

(ii) where a Government employee disposes of his motor car in India prior to his posting abroad or deputation/training abroad lasting more than one year and returns to India without a motor car ;

(iii) where a Government employee is appointed to a regular post abroad and does not take his car along with him.

c) If the car to be purchased is an old one the amount of such advance shall be rupees one lakh and ten thousand or eleven months' basic pay of the Government employee or the anticipated price of the car whichever is the least. If the actual price paid is less than the advance taken, the balance shall be refunded forthwith to the Government.

2) Recovery of the advance : The amount of the advance granted under this rule shall be recovered from the Government employee concerned in such number of equal monthly instalments as he may elect, not

exceeding Rs. 200. The Government employee may, at his option, repay more than one instalment in a month. The recovery shall commence with the first issue of pay after the advance is drawn. The amount of interest calculated in accordance with rule 303 of West Bengal Financial Rules, Part-I shall be recovered in one or more instalments, each such instalments being not appreciably greater than the instalments by which the principal was recovered. The recovery of the interest shall commence from the month following that in which the whole of the principal has been repaid.

3) In this provisions the expression "actual price" includes sales tax and the cost of such items, e.g., spare wheel, tyre and a tube the purchase of which is mandatory and also registration money paid for in advance by the Government employee to the dealer while booking for the new car and which is later adjusted by the dealer on allotment/delivery towards the price of the new car. It does not, however, cover the cost of certain accessories e.g. radio in a car, plastic covers, which are not essential and are purchased by the customer of his own volition. Insurance charges of the vehicle are also not included in "actual price". The expression "actual price" used in this rule shall also cover in the case of first purchase, the following item :

The cost of transportation of the conveyance upto the place of the duty of the Government employee concerned at the time of purchase irrespective of whether the transport is arranged by the distributor or by the Government employee himself.

4) Government employees whose basic pay is Rs. 10,500 p.m. or more shall be eligible for the advance for the purchase of a motor car. The eligibility criterion is, however, subject to modification from time to time at the discretion of the State Government.

5) An application in the form enclosed must be made to the competent authority by the employee applying for the motor car advance.

6) An agreement in the form enclosed should be executed by the Government employee before the advance is released by the sanctioning Authority.

7) A Government servant who draws an advance for the purchase of a motor car is expected to complete his negotiations for the purchase and to pay finally for the car within one month from the date on which he draws the advance; failing such completion and payment, the full amount of the advance drawn with interest at the rate of 18% (eighteen) per annum thereon for the period from the date of refund of the advance, must be refunded to the Government. This is in partial modification of Note 3 below clause (6) (c) of Rule 316 of W.B.F.R., Vol.-I.

8) This order issues in modification of the provisions of clauses 2(a) & (b) and (4) and note 3 below clause (6)(c) of Rule 316 of W.B.F.R.-I and necessary amendments to the West Bengal Financial Rules, Volume-I to this effect will be made in due course.

Sd/- S. GUPTA

Joint Secretary to the
Government of West Bengal.