

## **CONVEYANCE ADVANCE**

- 1.1 The Corporation may grant, subject to availability of funds in the budget, interest bearing loan/advance to its employees for purchase of conveyance provided the Competent Authority is satisfied that the possession of a vehicle by an employee will be in the interest of the Corporation.
- 1.2 Advance can be granted for purchase of a Motor Car of any make including air-conditioned cars, Maruti Van, Gypsy and Jeep/ Motor Cycle/Scooter/Scooterette or Bicycle.

Note: Tatamobile, station wagon provided they are registered as family vehicles.

- 1.3 The application for conveyance advance may be sent to Admn. Dept. in the prescribed proforma.

### **2.0 Eligibility**

Advance is payable to employees of the Corporation. However, the Conveyance Advance facility will be extended (for car/2 wheeler) to an employee even during the probation period. The relaxation shall also apply in case of employees who are promoted/appointed as officers from staff category.

### **3.0 Officers**

- 3.1 Conveyance advance for purchase of vehicles is admissible to officers as under:

#### **For Cars:**

Grade	Maximum entitlement
A	Rs.2.65 lakhs
B & C	Rs. 4.50 lakhs
D, E, & F	Rs. 5.0 lakhs
G & H	Rs. 6.50 lakhs
I	Rs. 7.50 lakh

Note: While buying a new car, officers would be allowed actual expenses incurred on comprehensive insurance for the first year and one time actual expenses on registration and road tax charges for the vehicle within the Conveyance Advance.

Employees may be permitted for payment of advance limited upto 10% of the entitlement / cost of the vehicle, whichever is less to the Dealer at the

time of booking and the same may be reimbursed / adjusted against the conveyance advance disbursed at a later date.

### **3.2 Subsequent Conveyance Advance:**

- i) Officers are entitled to subsequent Conveyance Advance after a period of five years from the date of withdrawal of previous advance. Subsequent advance can be granted after a lapse of three years from the date of drawal of previous advance in the following events:
  - In case of change in entitlement on account of promotion, or
  - In case of enhancement in entitlement on account of revision.
  - Alternatively, the officer may be given the option to draw the balance of his / her revised entitlement on account of the revision for purchase of a new car irrespective of the date of drawal of previous advance on one time basis.

The period of five years for drawal of second/subsequent advance would continue to be operative in all other cases.

- ii) Officers on transfer may be permitted to avail second Conveyance Advance at the new place of posting, without any reference to the date of previous conveyance advance provided the concerned officer had sold the car at the old place of posting and does not claim transportation charges for transporting the vehicle.
- iii) Officers in Grade A promoted from non-officers grade and who have drawn Conveyance Advance for purchase of a two-wheeler as a non-officer shall be permitted to draw Conveyance Advance for purchase of a car as per his entitlement without any reference to the date of drawal of previous advance.

### **3.3 For Motor cycle/scooter/moped/scooterette:**

Actual price paid for the vehicle or on the road controlled price of the new vehicle whichever is less.

Officers in Grade 'A' will be eligible for second/subsequent Conveyance Advance for purchase of two wheeler after a period of three years.

- 4.0 Officers desiring to avail of fresh car loan may be allowed to retain old car purchased with previous conveyance loan. The outstanding loan and interest of the previous advance drawn by the Officer would be recovered/adjusted in the subsequent advance (for car and two wheeler both).

Note: In such cases no assessment of old vehicle is required.

5.0 Reimbursement of Re-registration expenses, Road Tax and State Entry Tax on transfer:

Reimbursement of actual expenses incurred by an employee on re-registration of his/her car/scooter/motor-cycle/moped is permissible at the new place of posting subject to production of receipts. This facility shall be admissible only for one vehicle for which he/she has been claiming reimbursement of maintenance expenses. Actual expenses incurred on payment of lumpsum Road Tax, shall also be reimbursed, provided the employee has paid one time Road Tax at the earlier place of posting and State Entry Tax, if any, at the new place of posting, on production of receipts.

**6.0 Non-Officer employees**

6.1 Advance is payable to permanent employees of the Corporation. The employees who have completed their probation period satisfactorily shall be treated as permanent employees for this purpose. Uniform rules shall be applicable in respect of Conveyance Advance as regards the eligibility, no matter whether the conveyance to be purchased is a Motor Car, Motor Cycle, Scooter/Moped or a Bicycle

6.2 Non Officer employees shall be eligible for grant of conveyance loan for purchase of two wheeler limited to the actual price paid for the vehicle or on the road controlled price of the new vehicle or Rs. 70,000/- whichever is less.

Note : (a) The term on the road controlled price would mean the price of the vehicle, Excise Duty, Sales Tax and Octroi, etc but shall not include cost of number plate & insurance etc.

(b) Registration money, if any required to be deposited for purchase of a vehicle shall be borne by the (non officer) employee concerned from his own sources. In such cases actual loan amount shall be restricted to the cost of the vehicle as defined above, minus the registration money.

6.3 Non-officers in Grade VII & VIII will however be permitted to purchase a four wheeler subject to a maximum loan of Rs.1,50,000 including expenses incurred on account of Insurance, Registration charges and Road Tax.

6.4 In case non officer employees desiring to avail second/subsequent advance, the outstanding loan and interest of the previous advance drawn by him would be recovered / adjusted in the subsequent advance. In such cases no assessment of the old vehicle shall be required.

6.5 No non officer employee shall be sanctioned second or subsequent advance for purchase of motor car/ Motor Cycle/Scooter/Moped/ Scooterette unless a period of three years has elapsed since the drawal of advance by him on the previous occasion.

7.0 An employee drawing advance for purchase of conveyance must complete the transaction within one month from the date of drawal of advance. In case an employee retains the advance beyond one month or the balance unspent amount is not refunded to the Corporation within a period of two working days, without obtaining extension in writing, he shall be charged interest at the rate of 1% above IOC's borrowing rate from the date of drawal of advance till the date of deposit without prejudice to any such disciplinary action which may be initiated against him. He shall also be debarred for grant of all other loans/advances including HBA, except TA, medical and PF for any purpose for a period of five years from the date of refund of the loan amount.

*Note : For the purpose of utilization of the money within one month from the date of drawal of advance, the total cost deposited with the dealer, would be considered as the advance utilized for the purpose it is drawn, provided the total advance drawn is deposited with the dealer within a period of one week from the date of drawal of advance.*

8.0 No employee shall purchase a vehicle with loan assistance from any of his relatives dependent upon him.

## **9.0 Installments and Recovery**

### **9.1 Motor Car**

The advance sanctioned for the purchase of a car to the Officers shall be recovered in not more than 160 (Principal : 144 Interest : 16) equal monthly installments and for non officer employees recovery will be made in 106 (Principal : 96 Interest : 10) equal monthly installments.

### **9.2 Motor Cycle/Scooter/moped/Scooterette**

The advance sanctioned for the purchase of a Motor Cycle/Scooter/Moped/ Scooterette shall be recovered in not more than 106 (Principal : 96 Interest : 10) equal monthly installments.

The principal and interest in cases where the left over service is less than maximum number of installments (144 for car and 96 for scooter/motorcycle), the principal and interest will be recovered through installments during the left over period in the ratio of 9:1.

## **10.0 Commencement of Recovery**

The recovery of advance shall commence with the first issue of pay after the advance is drawn. It should be further ensured that the total various recoveries including monthly installment recovery towards Conveyance Advance should not exceed 65% of his monthly earnings.

## **11.0 Interest**

- 11.1 The advance shall bear simple interest at such rate as may be fixed by the Corporation from time to time (present rate being 2.5%). The interest shall be calculated on balance outstanding advance as on the last day of each month. The recovery of interest shall commence from the month following that in which repayment of principal has been completed. Interest recovery shall be made in one or more installments, each being not appreciably greater than the instalment by which the principal was recovered.

Note : Even if an employee desires to refund the amount of advance within the stipulated period of one month from the date of drawl of advance, interest at prescribed rate (2.5%) shall be charged.

Any interest over and above the interest payable by the employee to the Corporation on the deposits that the employee has made with the manufacturer / dealer out of conveyance advance disbursed to the employee, will accrue to the Corporation and not to the employee.

In case of employee who ceases to be an employee of the Corporation by premature retirement/resignation/termination/dismissal or otherwise, the rate of interest shall be enhanced to the then current Bank rate of interest on loan on the outstanding amount from the date of such cessation. This, however, is without prejudice to the right of the Corporation to reclaim the entire outstanding loan on such date of cessation.

## **12.0 Adjustment of gratuity amount against conveyance advance**

- 12.1 The Corporation may allow adjustment of gratuity in respect of Officers who have been granted conveyance advance for purchase of car and left with balance service of less than 100 months till the date of superannuation. Such adjustment is also allowed where gratuity amount is partly/fully committed towards House Building advance. However, Officers who have earlier opted to adjust gratuity entitlement with Conveyance Advance may be permitted to opt out of such gratuity adjustment option.
- 12.2 The amount of gratuity adjusted against the Conveyance Advance shall bear normal rate of interest as may be fixed by the Corporation from time to time. The current rate of interest is 2.5% p.a.

- 12.3 The amount of gratuity due shall be worked out on the basis of the maximum stage of salary scale as existing at the time of option. Where the gratuity amount due is more than the amount of Conveyance Advance, the adjustment of gratuity amount shall be limited only to the extent of Conveyance Advance otherwise admissible.
- 12.4 The amount of Conveyance Advance not adjusted, including interest accrued on the advance as well as gratuity, shall be recovered from the salary in equal monthly installments prior to the date of superannuation.

### **13.0 Conveyance Advance to Deputationists**

The Corporation may grant, subject to availability of funds, interest-bearing loan/advance to the deputationist for purchase of Motor Car/Motor Cycle/Scooter provided the competent Authority is satisfied that the possession of a vehicle by the deputationist will be in the interest of the Corporation.

#### **13.1 Eligibility**

Deputationists taken in the officer cadre of the Corporation shall be eligible for conveyance advance from the Corporation for purchase of a car as applicable to the corresponding grade of the Corporation.

#### **13.2 Amount of advance, Installment and recovery**

Within the above parameters, the amount of conveyance advance shall be limited to the amount, which can be recovered during his deputation tenure (the maximum period of three years).

It would be further ensured that the total various recoveries including monthly installment recovery towards conveyance advance should not exceed 65% of his monthly earnings.

#### **13.3 Commencement of Recovery**

Recovery of advance shall commence with the first issue of pay after the advance is drawn.

#### **13.4 Interest**

The advance shall bear the same rate of interest as is charged by the Corporation from its employees.

Execution of documents and completion of other formalities are the same as applicable to employees of IOC.

#### **13.5 General**

- i) The deputationist shall be required to give an undertaking through an affidavit to refund the outstanding balance in one lumpsum at the time of his repatriation. Such undertaking shall also indicate that in case the deputationist does not refund the loan before his release from IOC, the Corporation would retain the vehicle, which is hypothecated to the Corporation, (till such time the liability of the officer is fully discharged).
- ii) The fact of the above undertaking through which the deputationist commits to pay the outstanding loan in one lumpsum at the time of repatriation will be brought to the notice of the parent department of the deputationist.
- iii) LPC will not be issued in favour of the deputationist unless the outstanding conveyance advance is cleared.
- iv) The interest payable on any loan amount not repaid to the Corporation on his day of repatriation shall be the Current Bank rate.

#### 14.0 Execution of documents and completion of other formalities

- 14.1 Application for sanction of conveyance advance should be submitted in the prescribed form.
- 14.2 At the time of drawing the advance the employee shall execute an agreement in the form prescribed for the purpose.
- 14.3 On completion of transaction for the purchase of the vehicle the loanee employee shall sign an unattested deed of hypothecation in the prescribed form immediately but in any case not later than three months from the date of purchase of vehicle.

Note : In case the employee is unable to hypothecate the vehicle as mentioned above, payment of conveyance advance maintenance reimbursement may be withheld till such time the vehicle is hypothecated though sanction for reimbursement of expenses for running and maintenance of vehicle for official purposes may be obtained from the Competent Authority, pending execution of hypothecation deed.

- 14.4 The Officers allowed to adjust gratuity shall furnish a gratuity undertaking.
- 14.5 All stamp charges in connection with execution of above documents shall be payable by the employee concerned.

- 14.6 Immediately on purchase, the vehicle must be insured by the employee against full loss by fire, theft or accident on comprehensive basis. Insurance on owner driven or other similar qualified terms is not sufficient for the purpose of this rule. The insurance policy should also be assigned to IOC and the same is required to be mentioned in the policy.
- 14.7 The amount for which the vehicle shall be insured for any period must not be less than the balance of advance with interest accrued on it at the beginning of such period. The insurance shall be renewed from time to time on comprehensive basis till the amount is fully repaid.

### **15.0 Sale of Vehicle**

- 15.1 Prior sanction of the Corporation shall also be necessary even if the entire advance and interest accrued thereon is fully repaid.
- 15.2 If an employee wishes to transfer the vehicle to another employee of the Corporation who performs duties that render the possession of a vehicle necessary, he may be permitted to transfer the liability attached to the vehicle to the latter Officer provided he records a declaration that he is aware that the vehicle transferred to him remains subject to the hypothecation bond and that he shall be bound by its terms and conditions.
- 15.3 The sale proceeds must be applied in all cases, so far, as may be necessary, towards the repayment of the outstanding balance. If, however, the vehicle is sold only in order that another may be purchased, the Corporation may permit an Officer to apply the sale proceeds towards such purchase subject to the following:
- i) The cost of the vehicle should in no case be less than the amount outstanding.
  - ii) The amount outstanding shall continue to be repaid at the rate previously fixed
  - iii) The new vehicle must be insured and hypothecated to the Corporation as required under the rules.
  - iv) The vehicle shall be purchased within one month from the date of the sale of the old vehicle, failing which the outstanding loan together with interest should be repaid to the Corporation before the expiry of one month. Failure to do so the employee is liable for action as laid down in clause 7.0
  - v) If the cost of the new vehicle, though more than the amount outstanding, is less than the sale proceeds of the old vehicle, the difference between the sale proceeds and the actual cost of the new vehicle must be refunded to the Corporation towards the repayment of the amount of advance outstanding.

- 15.4 An employee who has been given permission to sell a vehicle shall, immediately after the sale, give the name and address of the purchaser and the amount for which the vehicle is sold along with documentary proof and whether he has, had or is likely to have any official dealings with the purchaser.
- 15.5 An employee desiring to apply the sale proceeds of a vehicle purchased from advance granted by the Corporation to the purchase of a new vehicle shall also be required to sign a deed of hypothecation in the form prescribed for this purpose from time to time.
- 15.6 Sale of vehicle purchased with Company loan to a dependent member of his family is not permissible. The definition of family member for this purpose shall include dependant parents, spouse, children (step as well as adopted children).
- 16.1 The Grant of an advance for the vehicle does not imply that reimbursement of vehicle maintenance expenses shall also be admissible to the employee.
- 16.2 If the borrower ceases to be in the service of the Corporation, for whatever reasons, except in case of death, the entire balance of the loan with interest calculated as per provisions of rules shall immediately become due and payable to the Corporation and shall be recovered from his/her dues and / or estate. This, however, is without prejudice to the right of the Corporation to reclaim the entire outstanding loan on such date of cessation.
- 16.3 Under the "Conveyance Loan Redemption Scheme", in case of death and permanent total disablement arising out of accident for which an amount equivalent to 0.3% of the outstanding loan including interest thereon as on 1<sup>st</sup> April every year will be recovered from the concerned employee. Conveyance loan would include Conveyance repair loan also. The claim arising out of death and permanent total disablement will be settled out of this amount.
- 16.4 An employee who has availed vehicle loan and subsequently resigns from the services of the Corporation to join other Government Undertaking shall be allowed a time limit of six months to make necessary arrangements to repay usual monthly installments directly to the Corporation at the same rate of interest which he would have paid, had he remained an employee of the Corporation.

In case any amount remains to be repaid to the Corporation after the period of six months, the rate of interest to be charged on such amount shall be 1% over and above IOC's borrowing rate, from the date of such cessation till the date of deposit.

16.5 In case any employee does not draw salary for any reason whatsoever, he shall make alternative arrangement for payment of the monthly installment to the Corporation failing which the Corporation shall be at liberty to enforce the recoveries through such actions as may be deemed fit.

## 17.0 Contravention of rules

Contravention of any of the above rules by an employee can result in forfeiture/withdrawal of reimbursement of expenses and such other disciplinary action as may be permissible under the rules.

## 17.0 Scheme for grant of Conveyance Repair Advance (CRA) to Officers and Non-Officers

### 17.1 Eligibility

Any employee who owns and operates a conveyance, which is not less than five years old from the date of manufacture of the vehicle and has been sanctioned by the Corporation, reimbursement of expenses on maintaining and running the conveyance for official purpose as per the Corporation rules, shall be eligible for Conveyance Repair Advance (CRA) for major repairs to the vehicle.

### 17.2 Quantum of Conveyance Repair Advance

	After three years from the date of drawal of previous car loan/CRA	After five years from the date of drawal of previous car loan/CRA
Car	Rs.10,000/-	Rs.20,000/-
Two-wheelers	Rs.2,000/-	Rs.5,000/-

### 17.3 Payment of CRA

An employee eligible to draw CRA shall submit a formal application in the prescribed form to the Competent Authority giving all necessary details, regarding self and vehicle, relevant to the grant and regulation of CRA duly supported by a detailed list of major jobs to be undertaken on the vehicle and the total estimated cost thereof. Within 60 days from the date of drawal of the advance the Officer shall submit to the Competent Authority the following :

- (i) Originals of the detailed bill(s) of the garage/repairer, stipulating the items of work done and individual cost thereof.
- (ii) Each bill shall be endorsed by the employee with a certificate that all the items of works billed and paid for have actually been carried out.

- (iii) If there is any residual amount left over (the difference between the CRA drawn and the total of the bills/receipts submitted in support), the same shall be refunded to the Corporation forthwith. In case such residual advance exceeds Rs.500/-, interest at 1% over and above the ruling bank rate will be chargeable on the amount from the date of payment of CRA to the date of refund.
- (iv) Stamped receipts from the garage/repairer shall be deemed as evidence of payment by the employee.

#### 17.4 Recovery of Conveyance Repair Advance

##### **For Cars**

- (i) Within a maximum of 36 monthly installments subject to monthly installment amount being not less than Rs.300/- in case the advance is Rs.10,000/- or less.
- (ii) Within a maximum of 60 monthly installments subject to the monthly installments amount being not less than Rs.350/- in case the advance is Rs.20,000/-.
- (iii) Monthly recovery amount rounded off to next higher Rs.25/-. Final adjustment to be made in the last installment.

##### **For Scooters/Motor Cycles**

- (i) within a maximum of 36 monthly installments subject to the monthly installment amount being not less than Rs.60/- in case the advance is Rs.2000/- or less.
- (ii) Within a maximum of 60 monthly installments subject to the monthly installment being not less than Rs.90/- in case the advance is more than Rs.2000/- and upto Rs.5000/-.
- (iii) Monthly recovery amount rounded off to next higher Rs.10/-. Final adjustment to be made in the last installment.

The recovery of advance shall commence from the month following the date on which the advance amount has been disbursed.

#### 17.5 Interest on Advance

The CRA shall carry the same rate of interest as applicable from time to time on the advance for purchase of conveyance (the current rate being 2.5% p.a.)

Note : Please see para 17.3(iii) regarding excess drawal of advance.

## **17.6 Conditions governing the advance**

17.6.1 CRA will be sanctioned subject to the following run-out periods after the purchase of a conveyance.

New Vehicles	After 5 years of purchase
Secondhand Vehicles	After 3 years of purchase (however, a period of 5 years must have elapsed since the date of purchase by the 1 <sup>st</sup> Owner).

17.6.2 Subsequent CRA will be admissible to an eligible Officer, as indicated below:

### **For Cars**

- (i) After 3 years - if the previous CRA was Rs. 10,000/- or less.
- (ii) After 5 years - if the previous CRA was more than Rs. 5000/- and upto Rs. 20,000/-.

### **For Scooters/Motor Cycles**

- (i) After 3 years - if the previous CRA was Rs. 2000/- or less.
- (ii) After 5 years - if the previous CRA was more than Rs. 2000/- and upto Rs. 5,000/-.

Note: Once a CRA is drawn, no subsequent advance for purchase of a conveyance shall be payable to the Officer for a period of three years from the date of drawal of CRA.