

officer who authorises the advances. For all further accounts and supervision, the departmental authorities will be responsible.

(d) Advances may be made either direct to the parties concerned and on their receipt (stamped when necessary), or in lump sums on White D. C. Bills in Form F. C. 28 to Government officers disbursing the advances.

(i) In the former case the payments in the treasury account must be supported either by actual payees' receipts, or where these are required by the departmental officer, by a certificate from the Collector or other duly authorised officer to the effect that the payments have been made to the proper parties and their receipts duly taken and filed in the departmental office.

(ii) In the latter case the following safeguards shall be adopted :-

(i) No officer disbursing these advances should be allowed to draw a second White D. C. Bill without producing a detailed bill to account for the amounts already disbursed from the last advance taken, any balance left being at the same time refunded into the treasury. In no case should the submission of the detailed bill be delayed beyond the end of the month following that in which the advance was drawn from the treasury.

(2) Disbursing officers should take the receipts of the payees on the spot as soon as the advances have been made, and certify at the foot of the detailed bill that the advances were duly sanctioned by them and paid in their presence.

(3) Payee's receipts need not be sent with the detailed bill and their names need not be shown in it. The detailed bill should be forwarded to the Accountant General through the Treasury Officer in support of the debit appearing in the treasury account.

(4) The Collector or the Head of the Department concerned should prescribe a money limit for the amount which can be drawn on White D. C. Bills by each officer with due regard to the circumstances of each case.

(e) No officer authorised to make advances may question the accuracy of the treasury plus and minus memorandum as the record of his responsibility, otherwise than by satisfying the Accountant General of its erroneous nature and causing him to correct it. Every officer shall see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns for each month. If he is not the Collector, he must obtain from the treasury a copy of the plus and minus memorandum with which he is concerned and take necessary steps for the removal of differences between the two sets of accounts. Special care shall be taken in paying recoveries into the treasury, that the amounts of interest and principal recovered as separately and distinctly credited, as the former must not and the latter must be credited in the plus and minus memorandum. The Accountant General will, however, at the close of every year's accounts send to Government a return showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Government to check the reconciliation effected by the Revenue Authorities between their departmental figures and treasury accounts.

(vii) PLUS AND MINUS MEMORANDUM MAINTAINED AT THE TREASURY IN CONNECTION WITH ADVANCES TO MUNICIPALITIES ETC.

14-13. If a Government servant authorised to make advances desires to question the accuracy of the plus and minus memorandum of loans and advances maintained at the treasury in which transactions of each loan and advances are separately recorded, he must address the Accountant General and satisfy him as to its incorrectness and ask him to correct it. Every Government servant should therefore, see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns. If he is not the District Officer, he

should obtain from the Treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken in paying recoveries into the treasury to show the amount of interest and of principal separately so that they may be separately credited in the treasury accounts as the former must not, and the latter must be credited in the treasury plus and minus memorandum of loans and advances.

Note.—In the case of Taccavi advances recoveries effected in one district on account of advances made in another district, should not be included in the plus and minus memorandum of the treasury in which the recovery is effected but shown separately, the intimation of the recovery being at the same time sent to the Treasury Officer who has made the advance so that he may include it in his plus and minus memorandum.

(viii) ANNUAL REVIEW

14-14. An annual report upon outstanding loans and advances will be submitted by the Accountant General for review by the Government.

[(ix) UTILISATION OF LOANS

14-14-A. (a) Before considering a loan application from a party other than a local body, a sanctioning authority shall ascertain the purpose for which the proposed loan is to be utilised and consider the economy of the scheme.

In respect of all loans which are sanctioned for specific purposes the sanctioning authority shall watch the utilisation of the loan for the purposes for which it was given.

(b) FURNISHING OF UTILISATION CERTIFICATES TO AUDIT—

(i) In cases in which conditions are attached to the utilisation of a loan (specification of the purposes for which the loan is to be utilised,

should be regarded as a condition of the loan), the authority competent to sanction the loan shall be primarily responsible for certifying to the Audit Officer, where necessary, the fulfilment of the conditions attaching to the loan, unless there is any specific rule or order to the contrary.

(ii) In respect of loan the detailed accounts of which are maintained in the Audit Office, the sanctioning authority should furnish the utilisation certificates in respect of each individual case.

(iii) In respect of loans the detailed accounts of which are maintained by the Departmental officers and the Audit Office maintain only skeleton broad sheets for reconciliation of the ledger figures with the Departmental figures, consolidated utilisation certificate shall be furnished to Audit by the Administrative Department/Head of the Department or the Chief Controlling Officer administering the loan for the total amount of loans disbursed each year. The certificate shall indicate the year-wise and object-wise breakup of loan disbursed and the loans for which utilization certificates are furnished. This certificate shall show the loans disbursed separately for each sub-head of accounts to facilitate verification by the Audit.

(iv) In respect of loans paid to autonomous bodies which are wholly controlled by the Government, the utilization of the loans granted to these bodies shall be test checked by the Accountant General during the course of regular audit of their accounts.

(c) The certificates referred to in (b) (i), (ii) and (iii) above shall be furnished in such form as may be agreed upon between the Audit Officer and the Department/Officer controlling the loan. Before recording the certificate, the certifying Officer/Department should take steps to satisfy that the conditions on which the loan was sanctioned have been fulfilled and the loans have been utilized for the purpose for which they were given. For this purpose the loanee may be required to submit at suitable intervals, such reports, statements, etc., as will establish the utilization of loan for purposes for which it was sanctioned. The loanee institution, if necessary may also be required to furnish a certificate from its auditors to

the authority which sanctioned the loan that the conditions attaching to the loan have been fulfilled. The certificate should give the breaches, if any, of these conditions.

(d) The utilization certificates shall be furnished within a period not exceeding 18 months from the date of sanction of the loan. Where, however, the period of utilization of a loan is specified in the terms of conditions attached to it the certificate of its utilization shall be furnished within six months of the expiry of the period of such utilization.]

¹[II-A-LOANS TO PUBLIC SECTOR UNDERTAKINGS

14-14-B. Grant of loans to Corporations/Companies/Undertakings wholly owned by Government shall be regulated according to the provisions contained in their Memorandum and Articles of Association. Notwithstanding the provisions, if any, contained therein regarding execution of an agreement/bond in respect of a loan sanctioned by the Government hypothecation of assets thereto drawal of formal agreement and hypothecation of assets with the Government is not required. A written undertaking in Form F. C. 51 shall, however, be obtained. The order sanctions the loans should invariably indicate that a written undertaking in the prescribed Form has been obtained from the Loanee.

III—LOANS AND ADVANCES TO GOVERNMENT SERVANTS

(I) GENERAL :

Note.—It is not permissible to sanction loan or advance to a Government servant which involves a breach of any of the canons of financial propriety. In any case in which a cash grant would be within the powers of sanction of a particular authority, the grant of an advance not exceeding the cash grant will not require the sanction of a higher authority.

1. Inserted vide F. D. Notification SRO-342 dated : 23-8-1967 and renumbered vide Corrigendum No. A/92 (66)-358 dated : 23-3-1993.

14-15. Rules in this section do not ordinarily apply to Government servants who are not in permanent Government employ. As the pay of such Government servants does not constitute adequate security for a loan, advances should not ordinarily be granted to them.

¹[Government Instructions.—Advances payable to a Government servant shall be calculated on his pay or presumptive pay whichever may be higher at the time of sanctioning of advance.]

Note—Advances for-

1. Construction, purchase or repairs to a house [as provided by rule 14-18 (i), (ii) below.]
2. Purchase of motor cars, and
3. Purchase of motor cycles,

will also be admissible to ¹[officiating and] Quasi-permanent Government servants provided they furnish acceptable and adequate surety of permanent Government servants of comparable or higher status in addition to mortgaging their house, hypothecating their car/motor cycle to Government and (ii) the Head of the Department in which they are working also certify that the concerned Government servant will continue in service for sufficiently long period to enable full recovery of the advance together with interest accrued being effected before termination of his services. ¹[A permanent Government servant can stand surety in respect of only one advance at a time, which shall be watched on the basis of a certificate to be recorded by the surety that he has not stood as a surety in any other case where the advance has not been liquidated.]

14-16. The last pay certificate granted to a Government servant under transfer must specify the original amount of such advances, the amount repaid and the balance together with the interest, if any, accrued in accordance with rule 14-18, remaining due.

14-17. Simple interest at the rate fixed, by the competent authority for the purpose from time to time should be charged on advances granted to Government servants for construction, purchase or repairs to house

1. Inserted vide F. D. Notification SRO-445 dated : 12-8-1969

and for the purchase of motor cars and motor cycles.

¹[14-17-A In all cases while issuing sanction for grant of HBA/ Composite Loan/Housing Loan and Advances for purchase of any kind of conveyance viz Motor car/Scooter/Motor Cycle/ Moped/Bicycle, the sanction should invariably stipulate a higher rate of interest at 2 1/2 % above the prescribed rates with the stipulation that if the conditions attached to the sanction including those relating to recovery of the amount are fulfilled completely to the satisfaction of the Competent Authority, rebate of the interest to the extent of 2 1/2 % will be allowed. The Competent Authority to decide whether the payments have been made punctually will be the sanctioning authority who will decide that the conditions attached to the sanction including those relating to the recovery of the amount are fulfilled completely to the satisfaction of the Competent Authority.]

EXPLANATION :-The provision of this rule shall apply *mutatis mutandis* in respect of all cases where the recovery either of Principal or interest is in process.]

Note 1.—In calculating interest the instalments of Motor Car, Motor Cycle and House Building Advance recovered by deduction from pay bills shall be treated as if paid on the first day of the month succeeding that for which the pay from which the deduction is to be made falls due.

Note 2.—If in any particular case an advance is drawn in more than one instalment the rate of interest recoverable should be determined with reference to the date on which the first instalment is drawn.

(ii) HOUSE BUILDING ADVANCE

14-18. Advances to Government servants for the construction or purchase of houses are regulated by the following rules :—

1. (i) In all cases where the grant is in accordance with rules

1. Inserted vide F. D. Notification SRO-493 dated : 9-11-1999.

advances may, subject to availability of funds, be sanctioned by the Administrative Department for building and purchasing of houses in favour of the State officials who are permanent and pensionable incumbents and otherwise competent to acquire house property in the State, which may be in addition to advances, that may have been sanctioned in their favour under the Low Income Group Housing Scheme or Middle Income Group Housing Scheme provided the Heads of Departments under whom they may be working are satisfied that they are in a position to liquidate both kinds of loans simultaneously.

(ii) These advances may be granted to quasi-permanent Government servants also, subject to terms and conditions laid down in rule 14-15 above.

2. No advance shall exceed one and a half years pay or presumptive pay as the case may be of the Government servant to whom it is made or Rs. 500 whichever is greater, nor shall more than one advance be made for the same house.

¹[Note.—Where both husband and wife are Government employees each one of them should be allowed to draw the loan in their own right, but the total amount of the loan should be limited by the cost of construction of the house and should not exceed this.]

3. The applicant shall submit with his application for the advance a plan of the proposed building and state the estimated cost of the same and the value of the materials, if any, collected by him on the site. He shall state in his application whether the site, on which he proposes to build his house belongs to him or to the State.

4. The application shall be presented to the Head of the Office in which the applicant is employed and if the Head of the Office is not a Gazetted Government Servant to the next higher authority holding a gazetted status who after satisfying himself that it contains the particular referred to

1. Inserted vide F. D. Notification SRO-237 dated : 7-7-1965.

in the preceding rule, shall forward the same to the concerned Deputy Commissioner of the locality.

5/ On receipt of the application the Deputy Commissioner shall enquire —

- (a) If the advance is necessarily required for the purpose stated in the application.
- (b) Whether the application for the advance is a *bona fide* and the house required to be built or purchased is for the personal residence of the applicant.
- (c) Whether on proof of the absolute necessity for the advance, the applicant is prepared to give substantial security for the repayment of the advance with interest.
- (d) Whether the security offered is sufficient to indemnify the Government against loss.
- 1[(e) Whether any such advance has been made previously for the same house to the wife/husband of the applicant if she/he also is a Government servant where such an advance has been made to either of the two, the amount of advance should be specified.]

6. The Deputy Commissioner shall see to the due execution of the bond in (Form F. C. 36) in each case and the sufficiency of security to be taken from each applicant in his respective jurisdiction.

7. The Deputy Commissioner shall return the record prepared by him under rule 5 to the authority from whom the case was received by

1. Inserted vide F. D. Notification SRO-237 dated . 7-7-1965

him with his recommendations. The case will finally be passed on by the Head of the Department with his final recommendations to the Housing Department for sanction and subsequent ¹[return to the drawing officer for encashment and disbursement.]

8. No advance shall be made if the applicant is unable to find substantial security although absolute necessity is proved.

9. No advance shall be made to Government servant whose services are borrowed from other Governments.

10. The bond after execution should be sent to the Housing Department who will forward it to the Treasury Officer for safe custody.

It shall be seen that :—

- (a) no payments on account of advances are made until the Housing Department record a certificate on the bill that the receipt of the bond has been acknowledged by the Treasury Officer for safe custody of the security bond executed in each case with the certificate of the Deputy Commissioner as to the sufficiency of the security and the due execution of the bond, endorsed on each bond,
- (b) the bond is returned after the advance has completely been repaid with interest and after receipt of authority from the Accountant General and a certificate from the Deputy Commissioner concerned to the effect that the house has been built according to the plan mentioned in rule 3 or actually purchased with the advance granted.

11. The advance may be made in instalments when considered desirable and when so made, repayment shall commence from the fourth issue of pay after the 1st instalment is taken but when the advance is taken in one instalment repayment shall commence with the second issue of pay. The repayment of the whole advance (principal only) shall in either case be completed in ten years. It will be decided

1. Substituted for "disbursement after having the bill duly pre-audited by the A. G." vide F. D. Notification SRO-483 dated : 24-11-1965.

in each case, when sanctioning the advance under these rules, whether it is to be paid in a lump sum or by instalments.

¹[12. (1) Recovery of the advance shall be made by disbursing officers by deducting monthly instalments equal to one hundred and twentieth part of the advance from the pay bill of the official concerned.

(2) A Government servant who is due to retire within 10 years of the date of application for the grant of an advance and under the service rules applicable to him is eligible for the grant of a gratuity or death-cum-retirement gratuity, the sanctioning authority may permit him to repay the advance with interest in convenient monthly instalment (the amount of the instalment shall not be less than that worked out on the basis of repayment within a period of 10 years) during the remaining period of his service, provided he agrees to the incorporation of a suitable clause in the prescribed agreement and mortgage deed form to the effect that the Government shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death preceding retirement from the whole or any specified part of the retirement/death gratuity that may be sanctioned to him/his legal heirs.]

Note.—The amount of the advance to be recovered monthly should be fixed in whole rupees except in the case of the last instalment when the remaining balance including any fraction of a rupee should be recovered.

13. An official quitting or removed from the station where he has built or purchased a house before the whole amount of advance and its interest have been liquidated shall continue to be liable to the deduction of his monthly instalment until the advance with interest has been repaid. But with the special sanction of Government he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due or to transfer it to any official of his own or higher rank who is willing to take it and to agree to the future deductions to be made from his pay till the whole debit is paid off.

1. Recast vide F. D. Notification SRO-574 dated : 11-12-1970.

14. No second advance shall, in any case, be allowed whilst any amount remains due on a previous advance, either out of the principal amount or the interest.

15. Not more than two advances for house building or purchasing shall be given. A 3rd advance may, however, be allowed with the sanction of the Government in the Departments concerned and the concurrence of the Finance Department in exceptional cases where the necessity for the advance is established to the satisfaction of the Government concerned.

¹[16. Advance would not be sanctioned in a case where full recovery under the rules is not possible before the date of retirement of Government servant even from his death-cum-retirement gratuity under sub-rule 12.

This shall be deemed to have come into effect from 1-4-1970.]

17. Interest at the rates fixed from time to time will be charged on House Building Advances. The interest will be calculated on balances outstanding on the 1st day of each month. The amount of interest calculated as above will be recovered in one or more instalments, each such instalment being not appreciably larger than the instalments by which the principal is recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

18. If an official quits or is removed from Government service or dies, before the whole amount of the House Building Advance including interest is liquidated, the arrears will be recovered from any dues payable to him other than the General Provident Fund Deposits and the balance, if any, as arrears of land revenue, in case the Deputy Commissioner concerned fails to make the recovery by private negotiations. The process made applicable to the principal for recovery will also apply to the sureties.

²[14-18-A. Notwithstanding anything contained in rule 14-18 Loans for House Building/Purchase shall be regulated by the terms and conditions below :—

(a) Composite Loan :

1. Recast vide F. D. Notification SRO-574 dated : 11-12-1970.

2. Inserted vide F. D. Notification SRO-421 dated : 21-9-1981.

¹[(1) In all cases where the grant is in accordance with the rules and funds for the purpose are available, a Composite House Building Advance shall be sanctioned instead of loan under the M. I. G. or L. I. G. Housing Scheme and/or loans out of House Building Advance.

The powers for sanctioning of loan shall vest in the Head of the Department to which a Government servant belongs.

'Head of Department' in the case of Civil Secretariat shall be the General Department and in the case of a Head of Department himself, the Administrative Department. The term 'Department' shall for purposes of these rules mean the parent Department to which an employee belongs. For example, in the case of an Accountant, belonging to Subordinate Accounts Service, the advance shall be sanctioned by the Directorate of Accounts and Treasuries and not by Head of the Department in which he may have been posted at the time of applying for loan.

The Head of the Department if himself is drawing officer will draw and disburse the advance to the employees. Where the Head of Department may not be the Drawing Officer, the advance will be drawn and disbursed by the Officer who has Drawing Powers in the Direction Office/Administrative Department. Head of a Department/Administrative Department will keep a permanent record of advances sanctioned by them from time to time, and send monthly, a statement of advances sanctioned during a month to the Accountant General for his watching recovery of the advance against each employee. Detailed accounts of recovery will be maintained by the Accountant General as heretofore.

Note :—A Government servant who is eligible to draw an advance under these rules shall not be allowed any loan from the M.I.G or L.I.G Housing Schemes on or after the date of issue of these rules.

²Purpose for which advance may be granted :

(ii) An advance may be granted for constructing a new house (including the acquisition of the suitable plot of land for the purpose) either at the place of duty or at the place where Govt. servant proposes to

settle after retirement. An application for an advance for purchasing a ready-built house or flat may also be considered. The maximum amount of advance that can be granted shall be actual cost of the ready built house or flat, or 50 times the monthly basic pay or Rs. 2.5 lakh, whichever is the least.

(b) Eligibility :

- (i) The House Building Advance shall be admissible to permanent Government servants who are competent to own a house property in the State. The advance shall also be admissible to other Government servants who are covered under Government Instructions below rule 14.15 subject to the terms and conditions contained therein.
- (ii) The loan shall not be admissible to —
 - (i) Persons serving on contract basis.
 - (ii) Persons working as apprentices or stipendiaries.
 - (iii) Persons appointed on ad hoc basis.
 - (iv) Persons employed on work charged/contingent establishment.
 - (v) Persons employed on part time basis.
 - (vi) Persons serving the Government on deputation from Central Government or other State Governments or State/Central owned Corporations or autonomous bodies, Boards and the like.

¹(xxx)

1. Recast vide F. D. Notification SRO-411 dated : 19-10-1985.
2. Inserted vide F. D. Notification SRO-23 dated : 21-1-99.

1 Deleted vide F. D. Notification SRO-23 dated : 21-1-99.

1 Ceiling Category :

The cost of the house to be built/purchased (excluding the cost of residential plot as mentioned in the sale/lease deed of the land/house) should not exceed 150 times the basic pay of the Govt. servant subject to minimum of Rs. 2.50 lakhs and maximum of Rs. 6.00 lakhs :

Provided that the applicant should not have availed of any loan or advance for the acquisition of the house from any other Govt. source, i.e. the Department of Rehabilitation or Central or State Housing Scheme. Where, however, the loan, advance etc. already availed by an applicant does not exceed the amount admissible under these rules, it would be open to him to apply for the advance under these rules on the condition that he undertakes to repay the outstanding loan, advance, together with interest if any, thereon forthwith in one lump-sum, to the department concerned. In case where an employee (applicant) makes (or has made) a final withdrawal from his provident fund account in connection with construction/acquisition of a house or residential plot to construct a house thereon, in addition to availing of an advance under these rules, the total amount of advance sanctioned under these rules, and that withdrawn from the provident fund should not exceed the cost of ceiling limits prescribed in these rules :

Provided further that neither the applicant nor the applicant's wife/husband/minor child should own a house. However, this condition may be relaxed by the Government in exceptional circumstances, as for example, if the applicant's wife/husband/minor child owns a house in a village and the applicant desires to settle down in a town or where an applicant happens to own a house jointly with other relations etc. and he desires to build a separate house for himself.

Basic pay for the purpose of this rule shall mean the pay as defined in Art. 27 (a)(i) of J&K CSR's Vol-1.

1 Amount of Advance :

i) Not more than one advance shall be sanctioned under these rules to a Govt. servant during his/her entire service.

ii) Applicant may be granted an advance not exceeding the amount equal to 50 times the monthly basic pay including officiating pay (except where drawn in a leave vacancy) under the J&K Civil Service (Revised Pay) Rules 1998, but not pay drawn in a short or fixed term of deputation duty or estimated cost of the building or Rs.2.50 lacs whichever is least.

Note 1 :—Where both husband and wife are Government employees and own jointly the land on which the construction is to be raised each one of them should be allowed to draw the loan in their right, but the total amount of the loan should be limited by the ceiling cost or the cost of construction whichever is less.

Note 2 :—For purposes of determining the amount of advance the pay of the applicant at the time of sanctioning advance will be taken into account and no subsequent increases by way of promotion, increment etc. will be taken into consideration.

(f) Disbursement of loan for house constructions :

(i) the amount equal to 40 per cent of the sanctioned loan will be payable to the applicant on mortgaging in favour of the Government the land purchased or allotted to him by the Government along with the house to be built thereon :

(ii) a further amount not exceeding 40 per cent of the sanctioned advance will be payable when the house has reached the plinth level ;

(iii) the remaining 20 per cent of the sanctioned advance will be payable when the house has reached the roof level.

(g) Disbursement of loan for ready built house :

(i) An amount of advance sanctioned for purchase of ready built house may be released on execution of an agreement in the prescribed form and its mortgage to the Government and furnishing of adequate security to the satisfaction of the sanctioning authority. The amount may be paid in instalments not exceeding three at the discretion

of the sanctioning authority. The latter shall satisfy that the amount paid has been utilised for the purpose it was drawn within one month of the drawal of the advance failing which the advance so paid together with interest thereon shall be refunded to Government forthwith in lump.

Utilisation of the advance for any other purpose shall render the Government servant liable to suitable disciplinary action under the Classification, Control and Appeal Rules, 1956.

(ii) Among other checks which the sanctioning authority may apply the advance required for purchasing a ready built house shall be sanctioned if.—

- (a) the house has to be acquired on outright purchase basis and not on hire purchase basis,
- (b) the Government servant gets from the seller the right to mortgage the house to the Government,
- (c) the total cost of the house does not exceed the prescribed ceiling of the applicant, and
- (d) the cost of the house has not already been paid by the applicant.

(h) Interest :

(i) Subject to the modification that may be made by the Government from time to time the following differential rates of the interest shall be charged :—

- (a) 6 1/2% per annum for the first 25,000/-
- (b) 8% per annum of the next 25,000/- viz. 25,001/- to 50,000/-
- (c) 10% per annum for the next rupees 25,000/- viz. 50,001/- to 75,000/-

In the process of recovery the portion of loan carrying higher rate of interest will be treated as having been refunded first.

¹ Provided that an advance granted under these rules shall carry simple interest from the date of payment of the advance. The amount of interest being calculated on the balance outstanding on the last day of each month. Subject to the modifications that may be made by the Government from time to time, the following differential rates of interest shall be charged.

<i>If the amount is sanctioned up to</i>	<i>Rate of interest</i>
Rs. 50000/-	7.5%
Rs. 1.00 lakh	9%
Rs. 1.50 lakh	10%
Rs. 2.00 lakh	11%
Rs. 2.25 lakh	11.5%
Rs. 2.50. lakh	12%

(ii) In cases where a part of the advance sanctioned to a Government servant or interest on the amount of advance, is to be wiped off by adjustment either from gratuity or from death-cum-retirement gratuity, no interest shall be recovered on that part of the principal amount of outstanding advance beyond the date of retirement.

(iii) In case a Government servant dies while in service and a portion of the outstanding balance of the advance is to be set off against the death-cum-retirement gratuity admissible to his beneficiaries no interest should be charged on the amount of advance thus adjusted against death-cum-retirement gratuity beyond the date of the death of the Government servant.

(i) REPAYMENT OF ADVANCE

(i) Save as provided in sub-clause (iv) below, the advance granted to a Government servant under these rules together with the interest thereon shall be repaid in full by monthly instalments within a period not exceeding 20 years. Firstly the recovery of the principal shall be made in not more than 180 monthly instalments and then interest shall be recovered in not more than 60 monthly instalments.

(ii) The amount to be recovered shall be fixed in whole rupee except in the case of last instalment when the remaining balance, including any fraction of rupee shall be recovered. Recovery of an advance granted for house construction shall commence from the pay of the month following the completion of the house or the pay of the 18th month after the date on which the first instalment of the advance is paid to the Government servant, whichever is earlier. In the case of an advance taken for purchase of a ready built home the recovery shall commence from the pay of the month following that in which the advance is drawn.

(iii) It will be open to a Government servant to repay the amount in a shorter period or to start repayment of the amount from the date earlier than the date stipulated above if he so desires.

(iv) A Government servant who may have to retire before completing 20 years of service from the date of sanctioning the loan, the repayment of advance by him will be made as under :—

(a) He should apply for so much amount of the advance within the admissible ceiling as he can conveniently repay by the date of retirement partly by monthly instalments and partly by lump adjustment from his gratuity/death-cum-retirement gratuity keeping unpaid any amount up to Rs. 10,000/- out

of the principal if he has drawn the advance admissible under lower income group or Rs. 20,000/- in case of advance drawn under higher income group, subject to the condition, that the total period including the post retirement period in which he repays the loan with interest does not exceed 20 years in any case. This is elucidated as under :—

Suppose a Government servant has five years to retire from the date of sanctioning of advance. He belongs to higher income group and has applied for an advance of Rs. 60,000/-. Out of the total advance of Rs. 60,000/-, he will be required to liquidate Rs. 40,000/- with interest on the total advance accrued due by the date of his retirement. This he may do by repaying partly in monthly instalments from pay or cash deposit and partly by adjustment from his gratuity/D.C.R. Gratuity, that may be payable to him at the time of retirement. The balance of Rs. 20,000/- with interest thereon from the date of retirement shall be repaid by him after his retirement, in the manner laid down in sub-clause (b). In all such cases a suitable clause should be incorporated in the agreement and mortgage deed to the effect that Government shall be entitled to recover the portion of the advance remaining unpaid out of the amount which has to be repaid by the time of retirement, or death-proceeding retirement, from the whole or any specific part of the gratuity that may be sanctioned to him.

The amount of gratuity will be the amount estimated to be payable on the basis of scale of pay held by him on the date of sanction.

(b) The balance amount of Rs. 10,000/- or Rs. 20,000/- as the case may be plus the interest on that amount shall be repaid regularly by the loanee after the date of retirement in monthly or yearly instalments as he may like by cash remittance into treasury, within ten years from the date of retirement.

Note.—In sanctioning loans, preference may be given to applicants whose date of retirement falls earlier, provided their applications are complete in all other respects.

(v) In case the Government servant or his heirs/successors do not repay the balance of advance plus interest due to the Government within the required time after retirement, it shall be open to the Government to

enforce the security of the mortgage at any time thereafter and recover the balance of the advance due together with interest and the cost of recovery by sale of the house or in such other manner as may be admissible under the law.

(vi) Recovery of the advance shall be effected from the monthly pay/leave salary/ subsistence allowance of the Government servant by the concerned drawing and disbursing officer. A loanee may at his option remit the amount of instalment monthly in cash in a Treasury and produce the Treasury Challan to the drawing and disbursing officer for his satisfaction. In case the drawing and disbursing officer is not satisfied about the regular monthly remittance into the treasury by the concerned, the recovery shall be effected from the pay dues of the loanee. If a Government servant ceases to be in Government service for any reason other than normal retirement on superannuation, or if he/she dies before repayment of the advance in full the entire outstanding amount of the advance less by the portion payable after retirement shall become payable to the Government forthwith. The Government may, however in deserving cases, permit the Government servant concerned or his/her successor in interest, or the sureties as the case may be to repay the outstanding amount together with interest thereon in suitable instalments which the Government servant would have paid but for his death while in service. Failure on the part of the Government servant concerned or his/her successor to repay the advance for any reason whatsoever will entitle the Government to enforce the mortgage and take such other action to effect the recovery of the outstanding amount, as may be permissible.

(vii) For processing of applications for grant of the advance the procedure prescribed at sub-rules 3, 4, 5, 6, 7 and 10 of rule 14.18 will apply *mutatis mutandis* in respect of loans sanctioned under these rules. The Housing Department may prescribe any other procedural completion deemed necessary in this behalf.

(j) Raising a 2nd charge :

There is no objection to a Government servant creating 2nd charge against property which he may have mortgaged to Government against the House Building Advance drawn by him from the Government with prior permission of the Administrative Department. The second charge

can be created for purposes of raising loan for meeting the balance cost of house/flats from a recognised financial institutions like banks, financing co-operatives or any other financing institutions. The total amount of the loan raised from the Government and financing institution should not exceed the prescribed cost ceiling.

(ii) DATE OF EFFECT

These rules will come into force from the date of issue of this notification and shall also apply to inservice Government servants falling in any one or more categories given below provided the sanctioning authority is satisfied that they have not already completed the construction of house for which the loan is required :—

- (a) (i) who before coming into force of these rules, have for purposes of house construction been sanctioned H. B. A and/or a loan under M. I. G/L. I. G. housing scheme but the same has not been released in their favour in full before the issue of these rules ; or
- (ii) who were normally entitled to loans both under Housing Scheme, (LIG/MIG) and House Building Advance Rules, and had applied for the same but have been sanctioned only one or the two loans ; or
- (iii) whose applications for House Building Advance and or MIG/LIG Loan have been admitted by the Housing Department but are pending with the department ; and
- (iv) who have drawn in full loan under House Building Advance and housing Scheme i. e. LIG/MIG under the rules in vogue before the commencement of these rules, but have not been able to complete their house in full, may be allowed an additional advance equal to the amount which together with the loan drawn previously (HBA+LIG/MIG and cost of the plot if allotted by the Government on loan basis) will not exceed 75 months pay or Rs. 50,000/- or Rs. 75,000 (as the case may be) or the total cost of construction, whichever is the least. The repayment of the additional advance will be made side by side with the earlier advance/loan and the instalment will be fixed as per sub-rule (9).

The additional advance under the above rule will be admissible only after the sanctioning authority is satisfied that the Government servant really needs a loan for the completion of the house for which he had earlier drawn the loan/advance and the completions are necessary to make it fit for use.

(b) The entitlement of the loan in respect of loanees under (a) (i), (ii), (iii) and (iv) above, will be determined under these rules and from the amount so due will be deducted the amount of advance/loan already drawn including the cost of the plot if the same has been allotted by the Government on loan basis. The rest of the amount will be paid in suitable instalments.

Relaxation :

Any concession to be granted in relaxation of these rules, shall not be allowed except under extraordinary circumstances to be recorded in writing, and with the prior approval of the Minister Incharge of Housing Department.

(iii) 'ADVANCES FOR REPAIRS OF HOUSES

VI. Rule 14-19 (1) An advance may be granted for enlarging living accommodation in an existing house owned by the Government servant concerned (or jointly owned with his/her wife/husband) provided that the total cost of existing structure (excluding land) and the proposed additions and expansions do not exceed the cost ceiling limits prescribed in accordance with the provisions of sub-clause (d) of rule 14. 18-A.

(2) The applicant may be granted an advance not exceeding an amount equal to 50 times the monthly basic pay including officiating pay (except where drawn in a leave vacancy) under the J&K Civil Services (Revised

1. Recast vide F. D. Notification SRO-23 dated : 21-1-1999.

Pay) Rules 1998 but not pay drawn in a short or fixed term of deputation duty or estimated cost of the enlargement portion or Rs. 60,000/- whichever is least.

(3) An Advance may also be made to an official for the enlargement of the house which he has built or purchased with a previous advance under the rules 14.18-A above, but unless the sanctioning authority permits otherwise at least 5 years must elapse since the previous advance was drawn.

(4) Subject to the foregoing conditions the principles of Rule 14. 18 and 14. 18-A shall apply, the maximum period for repayment of the advance being 10 years. Interest will be calculated and recovered in accordance with the provisions of sub-rule 14.18-A.

(iv) ADVANCE FOR PURCHASE OF MOTOR CARS

14-20 (1) An advance will be given when the Government considers that it is in the interest of the public service that the Government servant should use a car in the discharge of his duties. Advances can only be granted to such Government servants as are compelled in the course of their official duties to do much touring or to make frequent journeys at short notice where the saving of time is of real importance. In exceptional circumstances, however, such advances may be granted to any other Government servant also with the sanction of the Government.

2. When an advance for the purchase of a Motor Car has been granted, a second advance will not usually be granted after a period of less than four years from the grant of first advance or until the first advance with interest thereon has been liquidated whichever happens later.

¹[2-A. A Car advance shall not be admissible to Government servants whose basic pay (excluding D. A. and A. D. A. special pay or N. P. A. or stagnation pay or any other allowance) is less than ²[Rs. 10,000/-] per month and whose service on the day of application for advance is less than five years. Where the husband and wife are both working as Government employees their total basic pay for purposes of eligibility under these rules may be clubbed, but in such cases the entitlement will be due only if after clubbing the basic pay of the couple the aggregate exceeds ²[Rs. 15,000/-] and each of them have put in five years or more service.

3. The advance should be applied for in the form given in the annexure to this chapter before the purchase of a car is made and the application for an advance should certify that the Government servant is unable to make the purchase without an advance.

4. When an advance for the purchase of a Motor Car is sanctioned, the purchase of the car must be effected within one month of the date on which the money is drawn from the treasury unless it is extended as indicated in note below, otherwise the amount of the advance drawn, with interest thereon for one month, forthwith refunded to Government. This condition should always be mentioned in letters sanctioning such advances.

³[Explanation.—An advance for the purchase of a conveyance shall not be granted to a Government servant, who has already purchased the conveyance and paid for it, unless the conveyance has been purchased within a period of three months commencing from the date the advance was applied for, and has been paid for by raising a temporary loan.

1. Recast vide F. D. Notification SRO-187 dated : 16-5-1985.
2. Substituted vide F. D. Notification SRO-235 dated : 18-6-99.
3. Inserted vide F. D. Notification SRO-10 dated 8-1-1970.

Pending cases if any shall be decided accordingly, cases already decided need not however be re-opened.]

Note 1.—The advance may be applied for well in time and sanctioned by the competent authority as soon as possible. The advance may, however, be drawn only after the officer concerned has received a written assurance from the dealer that the supply is likely to be available within a month and a certificate to this effect is recorded on the bill for the advance. In the event of any delay in supply dispute the written assurance referred to above; the Officer concerned should apply for extension of the time limit within the permissible period of one month and seek permission for retaining the advance for a further period of another month. Each such request should be supported with a letter from the dealer concerned, indicating the likely period of supply and will be considered on its own merits.

Note 2.—A penal rate of interest not less than 8 per cent per annum shall be charged on the balances outstanding for the actual period in excess of one month (including fraction of a month) if the Government servant retains the advance in contravention of the above provision beyond the period of one month without purchasing a conveyance :

Provided, however, that when the period of one month is extended by the competent authority, the penal rate will be charged from the date following that on which the extended period expired.

5. There are two types of advances viz. those (a) in which the cars are purchased by the Government by debit to the Consolidated Fund of the State and subsequently sold to Government servants.

(b) Those in which the cars are purchased by the Government servants direct through their own agency and a loan has to be advanced to them.

6. The total amount to be advanced to a Government servant shall not exceed ¹[Rs. 80,000/- or twenty months pay] or the presumptive pay as the case may be or the anticipated price of the car, whichever is least. If the actual price is less than the advance taken the balance should be forthwith refunded into the treasury. Provided that this rule will not apply in case of advances made under sub-para 5(a) above.

²[Note.—In the case of All India Service Officers the amount of advance payable shall be computed by adding notionally Rs. 600/- (in lieu of merger of dearness allowance and A. D. A.) to the basic pay of the officers in senior scale and above, and Rs. 450/- to the officers in the junior scale. The notional addition in basic pay for this purpose shall cease to be made after the pay scales of All India Service Officers are revised by the Government of India.

Explanation.—The expression “actual price” includes the price of such items as have necessarily to be purchased along with the motor car or for the purchase of which the purchaser has no choice, such as spare wheels, tyres, tubes etc. ;

Provided, however, when certain accessories such as radio in a car, plastic covers, etc., are purchased which are not essential and which are purchased by the officer of his own choice, the expression “actual price” shall not include their cost. Insurance and registration charges incurred for running the motor car vehicle shall also be not included in the actual price of the motor car.

1. Substituted vide F. D. Notification SRO-548 dated : 2-9-1986.
2. Inserted vide F. D. Notification SRO-65 dated : 8-2-1983.

7. ¹[The recovery of advance granted to a Government servant for purchase of a Motor Car shall be made in such number of equal monthly instalments as he may elect but such number shall not be more than ²[two hundred]. The Government servant may, at his option, repay more than one instalment in a month.] It will commence with the first issue of pays/presumptive pay after the advance is drawn. The amount of interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the one by which the principal was recovered. The recovery of interest will commence from the month following that in which the repayment of the principal has been completed.

8. ³[If a Government servant wishes to transfer such a car to another Government servant who performs the duties of a kind that renders the possession of a motor car necessary, the Government may permit the transfer of the liability attaching to the car to the latter Government servant provided 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.]

9. In all cases in which a car is sold before the advance received for its purchase from the Government with interest has fully been repaid, the sale proceeds must be applied so far as may be necessary, towards the repayment of such outstanding amount, the balance out of the advance if any from the monthly pay of the officer at the previous rate, provided that when the car is sold only in order that another car may be purchased, the Government may permit a Government servant to apply sale proceeds towards such purchase subject to the following conditions :—

(a) The advance outstanding shall not be permitted to exceed the cost of the new car ;

(b) The advance outstanding shall continue to be repaid at the rate previously fixed ; and

(c) The new car must be insured and mortgaged to the Government as required by these rules.

Note 1.—At the time of drawing the advance the Government servant should be required to execute an agreement in Form F. C. 37 and on

¹ Substituted vide F. D. Notification SRO-289 dated : 2-8-1965.
² Substituted vide F. D. Notification SRO-548 dated : 2-9-1986.
³ Recast vide F. D. Notification SRO-289 dated : 2-8-1965.

completing the purchase he should further be required to execute a mortgage bond in Form F. C.38 hypothecating the car to the Governor as security for advance. The cost price of the car should be entered in the schedule of specifications attached to the mortgage bond.

¹Note 2.—A certificate signed by the sanctioning authority to the effect that the agreement in Form F. C. 37 has been signed by the Government servant drawing the advance and that it has been examined and found to be in order, should be attached to the bill in which the advance is drawn. The sanctioning authority should ensure that the conveyance is purchased and hypothecated to the Governor as security for the amount lent to the borrower, together with interest thereon, in the prescribed form, within one month from the date of drawal of the advance.

Note 3.—The form of mortgage bond executed by Government servants drawing advance for the purchase of motor cars provide for insurance at the time of purchase. The purchase of motor car should be made within six months from the date of order sanctioning the advance, and car should be insured within one month of the date of purchase. Contravention of these orders will render the Government servant liable to refund the whole of the amount advanced which should be recoverable in not more than three months instalments unless there are good reasons, for failure to do so. The amount for which the car is insured during any period must not be less than the outstanding balance together with interest thereon at the beginning of that period and the insurance must be renewed from time to time until the advance has completely been repaid.

The Government servant drawing advances for the purchase of motor car should send direct to the sanctioning authority the insurance cover note and insurance policy. The sanctioning authority will bring to the notice of the Government any case in which insurance has not been effected within the period specified above provided that in case of advance made under sub-para 5 (a) above, the annual insurance premium will be paid by the Government and subsequently recovered from the officers concerned in twelve monthly instalments along with the instalments on account of car advance.

¹Note 4.—After the purchase of the conveyance, the sanctioning authority should obtain from the Government servant drawing the advance, a letter in form F. C. 52 to the address of the Insurance Company with which the conveyance is insured notifying it that Government is interested in the insurance policy secured and should forward such letter to the Insurance Company and obtain its acknowledgment. The sanctioning authority should furnish to the Accountant General, a certificate that the borrower has comprehensively insured the vehicle for an amount not less than the outstanding amount of advance plus interest thereon, if any, and the insurance company has been notified about the interest of Government in the policy. In case of insurance effected on annual basis, this procedure should be repeated every year until the advance has been fully repaid to the Government.

¹Note 5.—The sanctioning authority should furnish to the Accountant General the cash receipt and the bill for the purchase of the conveyance for scrutinising that the advance has been utilised for the purchase of conveyance within prescribed period and the actual price as defined in explanation below sub-rule 6 above is not less than the amount of the advance. The cash receipt and the bill shall be returned to the borrower through the sanctioning authority.

(10) Deleted.

¹Government Instruction.—Doubts have been expressed whether a State Government employee whose spouse is an employee of a Central Government can be allowed to club his/her pay with that of his/her spouse for purpose of determination of his/her eligibility for grant of Car Advance.

It is hereby clarified that there is no objection to the clubbing of the basic pay of a State Government employee with the basic pay of his/her spouse who is an employee of the Central Government subject to the following conditions :—

(a) Car advance shall be admissible to State Government employee only provided he fulfils all other conditions prescribed for the purpose. The State Government employee to whom the advance is granted

1. Inserted vide F. D. Notification SRO-26 dated : 12-1-1968.

2. Deleted vide F. D. Notification SRO-536 dated : 25-9-1979.

3. Inserted vide F. D. Notification SRO-166 dated : 26-4-1990.

should be having such duties as may involve much touring or frequent journey, at short notice and in whose case saving of time is of real importance. The absolute necessity of possessing a car in public interest by the State Government employee should be established and certified by the Head of the Department/ Administrative Department.

- (b) The State Government employee shall furnish a certificate of the Competent Authority of the Central Government that his/her spouse is not entitled to the car advance under the rules/regulations of the Central Government or that he/she is entitled to draw a car advance under the rules/regulations of the Central Government but has not drawn any such advance from the Central Government and that he/she would not be allowed such an advance unless the entire amount with interest thereon is liquidated by the State Government employee.

The aforementioned concession of clubbing of basic pay of a State Government employee with that of his/ her spouse shall also be available, *mutatis mutandis*, in cases where the spouse of State Government employee is an employee of Public Sector Undertaking/ Autonomous body owned controlled by the State Government or Central Government subject to fulfilment of the aforementioned conditions.

14-21. Advances to Government servants in foreign employ should be granted from the funds of the foreign employer, and after the sanction is ordered by the competent authority, it will be subject to proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply if the Government servants were serving directly under Government. In special case, however, the advance may, under special orders of Government be met from Government funds.

(v) ADVANCE FOR PURCHASE OF MOTOR CYCLES

14-22. A competent authority may sanction an advance to a Government servant for the purchase of a motor cycle subject *mutatis mutandis* to the conditions laid down in Rule 14-20 provided that :—

¹[I. Scooter/Motor Cycle/Mopped advance shall be allowed to a Government servant whose basic pay is not less than Rs. ²[4500/- P. M. and whose service on the day of application of the advance is not less than five years. The basic pay for the purposes of this rule shall mean the basic pay as defined in Art. 27(a) (I) of Jammu and Kashmir Civil Service Regulation Volume-1.

1. Recast vide F. D. Notification SRO-282 dated : 19-8-1996.
2. Substituted vide F. D. Notification SRO-235 dated : 18-6-99.

- II. The amount of the advance for the first occasion shall not exceed Rs. 13,000/- (Rupees thirteen thousand) or eight months basic pay or the anticipated price of the Scooter/Motor Cycle/Mopped whichever is least :

Provided further that notwithstanding anything contained above, the amount of the advance that may be granted on the second or the subsequent occasion for the purpose of the Scooter/Motor Cycle/Mopped shall be restricted to Rs. 10,000/- (Rupees ten thousand) or six months basic pay or anticipated price of the Scooter/Motor Cycle/Moped whichever is least. The amount of the advance so granted shall be recovered from the Government servant in such number of equal monthly instalments as he may elect, but such number shall not be more than seventy.]

¹[Note.—Deleted.]

FESTIVAL ADVANCE

²[14-22-A. Festival advance to Government servants are regulated by the following rules :—

³[Powers of section.—A Head of Office may sanction an advance on the eve of an important festival notified by the Government to a non-gazetted employee under his administrative control.

Note 1.—Government servant for the purpose of this rule shall mean a regular Government servant whether permanent or temporary but shall not include the staff paid from contingencies or by debit to work charge grant :

Provided that an advance shall not be granted to a temporary Government servant unless he is likely to continue in service for a period of at least ⁴[twelve months] beyond the month in which the advance is drawn, and subject to the condition that he furnishes along with his application for the grant of the advance, a surety bond in the F. C. Form No. 49 from a permanent Government servant having a status comparable to, or higher than, that of the temporary Government servant who applies for the advance.

Note 2.—“Important Festival” means Id-ul Zuha, Id-ul-Fitar, Shiv Ratri, Baisakhi, Diwali, Guru Nanak’s Birthday, Guru Har Gobind’s Birthday, Ravi Dass Birthday, Lord Buddha’s Birthday Mahavir Jayanti, Muharram, Nouroz and Christmas or any other festival as may be declared as such by the General Department.

1 Deleted vide F. D. Notification SRO-536 dated : 25-9-1979.
2 Inserted vide F. D. Notification SRO-518 dated 27-12-1965.
3 Recast vide F. D. Notification SRO-400 dated : 18-8-1984.
4 Substituted vide F. D. Notification SRO-266 dated 24-6-1981.

Note 3.—For the purpose of these rules Republic Day and Independence Day may also be treated as festival occasions.

(2) Conditions of Eligibility.—(i) An advance under these rules may be granted to a Government servant, if he is on duty, or on Earned Leave or maternity leave, but excluding leave preparatory to retirement on the date on which the advance is drawn.

¹(ii) An advance shall not be granted more than once in a financial year even if the festival qualifying for an advance falls twice in a financial year, nor shall it be granted unless an advance already granted has been fully recovered.

²(3) Amount of advance.—The amount of advance shall not exceed Rs. 500/- (five hundred only) or one month's pay whichever is less.

(4) Disbursement of advance.—A drawing and disbursing officer shall draw and disburse the amount of advance sanctioned under these rules, before the festival in respect of which the advance is sanctioned.

³(5) Recovery of advance.—(i) The amount of advance shall be recoverable in such number of equal monthly instalments as the Government servant may like but such number shall in no case exceed ten.

(ii) The recovery of the advance shall commence with the issue of pay for the month following that in which such amount is drawn.

(6) Accounts of advances.—The procedure for the maintenance of accounts and watching recoveries shall be as under :—

(i) Heads of Offices should ensure that the conditions attached to the grant of festival advances are fulfilled and the proper accounts are maintained and the recoveries are watched.

(ii) The drawing officers should maintain a register in Form F. C. 47 to watch the recoveries on account of the advances. Columns 1 to 4 should be filled in as soon as the bill is drawn for payment of advance, or the last pay certificate indicating some balance of the advance is received from another office/d disbursing officer. The recoveries as and when made from the pay bills should be noted in columns 6 to 17. In case recoveries are made in cash and deposited into treasury a suitable indication should

1. Recast vide F. D. Notification SRO-400 dated 18-8-1984.

2. Recast vide F. D. Notification SRO-555 dated 17-12-1987.

3. Recast vide F. D. Notification SRO-104 dated 27-3-1981

be given in the remarks column to facilitate reconciliation. Similarly the reasons for the non-recovery of any amount which should have been normally recovered, should be indicated briefly in the remarks column e.g. "pay not drawn", "Transferred to"

(iii) In support of the deductions, the drawing officer should attach to the pay bills concerned a "Schedule of Recoveries" in Form F. C. 48. This Schedule should be prepared in two parts as indicated therein.

¹(iv) Besides the "Schedule of Recoveries" referred to in para (iii) above the Drawing Officers shall also forward the Accountant General every month an "Abstract of Festival Advance Account" for the preceding month maintained by him in his office in Form F. C. 50. This abstract should reach the Accountant General by 15th of each month.

(v) When a Government servant is transferred to another office, the amount of the advance paid, the treasury voucher number and date of payment, the number of instalments recovered to date and designation of the drawing and disbursing officer should be mentioned in the last pay certificate.

²[14-22-B.]

BICYCLE ADVANCE

¹14-22-B. (1) A Government servant temporary, quasi-permanent or permanent may be granted advance for the purchase of a bicycle if the authority competent to sanction the advance is satisfied that the possession of bicycle will add to the efficiency of the Government servant.

⁴(2) Subject to the provisions of the preceding rule a Government servant whose basic pay is less than Rs. ⁵4500/- per month may be granted an advance for purchase of bicycle subject to availability of funds : provided that —

(i) the amount of such advance shall not exceed Rs. ⁶1000/- or anticipated cost of the bicycle inclusive of sales tax

1. Inserted vide F. D. Notification SRO-422 dated 18-10-1966.

2. Rule 14-22-B renumbered as 14-14-B vide Corrigendum No. A/92 (86) 358 dated 23-3-1993.

3. Recast vide F. D. Notification SRO-294 dated 10-6-1977.

4. Recast vide F. D. Notification SRO-78 dated 21-2-1989.

5. Substituted for 4500 vide F. D. Notification SRO-235 dated 18-1-99.

6. Recast vide F. D. Notification SRO-321 dated 25-8-1989.

or anticipated cost of the bicycle inclusive of sales tax whichever is lower. If the actual cost for the bicycle is less than the amount of loan the Government servant will refund balance forthwith ;

(ii) the amount of such advance shall be recovered in such number of equal monthly instalments as the Government servant may elect but such number shall not be more than twenty-five ;

(iii) the recovery of the amount of the advance shall commence with the first issue of pay/presumptive pay or leave salary as the case may be after the advance is drawn.

Note.—For purpose of ensuring that the cost of the bicycle purchased is not less than the amount advanced the concerned drawing officer who disburses the amount of advance to the Government servant shall obtain from him the cash receipt of the firm from whom the bicycle has been purchased within 15 days of the drawal of advance.

3. Simple interest at the rate as fixed by the Government from time to time for advances for purchase of conveyance shall be charged on the amount advanced, and shall be calculated on balance outstanding on the last day of each month.

4. The recovery of the amount of interest calculated under the above rule shall be made in the minimum number of monthly instalments, the amount of each such instalment being not greater than the amount of the instalment in which the principal is re-paid and shall commence from the month immediately following that in which the repayment of the advance is completed.

5. A Provincial Head of Department and Officers of Class I and II shall be competent to sanction the advance to a Government servant provided that the budget provision placed at their disposal by the Finance Department is not exhausted. Such advance should not ordinarily be granted within five years of the grant of a previous advance for the same purpose. Before issuing of such sanctions the sanctioning authorities shall ensure that in case of temporary Government servants an adequate surety of some other permanent Government servant of comparable or higher status who is not in receipt of an advance himself in Form F. C. 49 is obtained.

6. Drawal of the advance will be made from the Treasury by the drawing and disbursing officers of the office concerned who will obtain the surety bond, where necessary and keep it in safe custody till the advance along with interest thereon is liquidated.

7. The funds for the purpose allotted in the annual budget shall be placed at the disposal of the Finance Department who will—

(i) make allotments to various Departments consistent with their requirements and reconcile the receipts and expenditure on this account with the Accountant General ;

(ii) watch the timely recoveries of principal and interest ;

(iii) and issue such instructions for this purpose as may be necessary.

8. Accounts of Advances.—The procedure for the maintenance of accounts and watching recoveries shall be as under :—

(a) The drawing officers shall maintain a register in Form F. C. 54 to watch the recoveries on account of advances. Columns 1 to 4 should be filled in as soon as the bill is drawn for payment of advance, or the Last Pay Certificate indicating some balance of the advance is received from another office/dispersing officer. The recoveries as and when made from the pay bills shall be noted in columns 7 to 28. In case recoveries are made in cash and deposited into treasury a suitable indication should be given in the remarks column to facilitate reconciliation. Similarly the reasons for the non-recovery of any amount which should have been normally recovered, shall be indicated briefly in the remarks column e. g., "Pay not drawn" "Transferred to".

(b) In support of the deductions the drawing officer shall attach to the pay bill concerned a "Schedule of Recoveries" in Form F. C. 55. This schedule shall be prepared in three parts A, B and C as indicated therein.

(c) An "Abstract of Bicycle Advance Account" for the preceding month shall be maintained in Form F. C. 50 and copy thereof sent to Accountant General by 15th of each month.

(d) When a Government servant is transferred to another office, the amount of the advance paid, the treasury voucher number and date of payment, the number of instalments recovered to date, the amount of outstanding principal and interest and the designation of the drawing and disbursing officer who paid the advance, shall be mentioned in the L. P. C.

(e) Recoveries effected in pay bills on account of principal and/or interest should be shown creditable to their respective heads of account.

ADVANCES TO THE FAMILIES OF GOVERNMENT SERVANTS WHO DIE WHILE IN SERVICE

14-22-C. A Head of Office or Department may sanction an advance to the family of a Government servant in permanent or temporary employ (excluding casual, daily rated staff and work charged and contingent paid staff) who dies while in service (whether on duty or on leave with or without pay) and was drawing basic pay not exceeding Rs. 1200/- p. m. in order to enable the family of the deceased to meet its immediate requirements, if in the opinion of the head of office, the family concerned has been left in indigent circumstances upon the death of the Government servant on whom it was dependant and is in immediate need of financial assistance.

(ii) Amount of relief.—The relief may be allowed in the form of an advance limited to three months basic pay of the deceased Government servant or Rs. 1,200/- whichever is less provided that the amount so sanctioned does not exceed the estimated payment due to the family as indicated at (iv) below.

(iii) Sanction of advance.—The sanction of advance should contain the following particulars :—

- (i) Name and designation of the Government servant (whether gazetted or non-gazetted).
- (ii) Pay (Basic pay).
- (iii) Amount of advance sanctioned.
- (iv) Name or names of the beneficiaries to whom the payment of advance is to be made.

1. Inserted vide F. D. Notification SRO-143 dated : 8-3-1978 and SRO -262 dated 26-5-1980 and renumbered vide Corrigendum No. A/92 (66) 358 dated : 23-3-1993.

2. Substituted vide F. D. Notification SRO-262 dated : 26-5-1980.

The sanction should also indicate the manner in which the advance has to be adjusted. Copy of the sanction should be endorsed to the Accountant General.

(iv) Adjustment of advance.—The advance will be adjusted against the arrears of pay and allowances including Leave Salary, Death-Cum-Retirement Gratuity, balance in General Provident Fund, C. P. Fund, or any other payments due in respect of the deceased Government servant and becoming payable to the family. The adjustment of advance should be made as soon as possible but should not be delayed beyond the period of 6 months reckoning from the date of sanction of advance. The fact of payment of advance should also be recorded by the head of office in the last pay certificate.

(v) Head of Account.—The amount of advance should be drawn from the Treasury by debit to 8550:-Civil Advances—Other Advance—Advances to Government servants not bearing interest.

(vi) Beneficiaries.—In case the deceased Government servant has made any nomination for payment of death-cum-retirement gratuity the payment of the advance will be made to the nominee(s). Where there exists no such nomination, the payment should be made to the person eligible to receive death gratuity when no nomination subsists.

An undertaking should be taken from each person whom the payment of advance is made that he or she agreed to the amount of advance being recovered from the amounts payable on the death of the Government servant.

(vii) In cases where the head of office is in a position to assess the Government dues payable by the deceased Government servant, he may do so on the same day and if on assessment, it is found that the dues are more than the payment to be made to the beneficiary, no advance shall be made. In other cases where assessment of the Government dues is not possible on the same day, the relief should be allowed immediately on receipt of the intimation about death by the Head of Office and the balance of Government dues made good in accordance with the rules.

(viii) In case of a Government servant who dies while on deputation in a foreign service the advance may be paid by the parent department.

IV—AID TO AGRICULTURISTS AND RULES RELATING TO THE GRANT OF AID FOR LAND IMPROVEMENTS

14-23. For rules regarding grant of aid to Agriculturists and for Land Improvements under the Jammu and Kashmir Government Aid to Agriculturists and Land Improvements Act No. VII of 1983, See Appendix (10) to this Code.

V—HOUSE BUILDING ADVANCE TO SILKWORM REARERS

14-24. (i) The advance to an individual rearer should not exceed Rs. 100. In the case of a joint family also a single advance not exceeding Rs. 100 will be allowed.

(ii) The lonee must be *bona fide* rearer of at least 5 years standing.

(iii) He must be good at his work, the merit of his work being judged by his cocoon crop results.

(iv) The loan will be advanced to only such rearers as cannot rear silkworm satisfactorily for want of suitable or adequate accommodation.

(v) In the new house which he constructs with the assistance of the loan, he shall have to construct Machans (shelves) according to the instructions of the Department within six months from the date of receipt of advance.

(vi) He shall have to continue rearing the silkworm at least until the loan is liquidated in full. In case of default the recovery of the balance will be effected as arrears of Land Revenue.

(vii) The loan shall be repayable in 4 years in such annual instalments as may be determined by the Director of Sericulture or such other authority to whom the power may be delegated by him. The instalments shall in no case be less than one-third of the earnings of the borrower.

(viii) He shall have to pledge, on one rupee stamp paper immovable property worth not less than twice the amount of loan advanced, as security to the Department. The property must be certified to be unencumbered by the Zaildar and Lambardar concerned who shall further have to recommend the loan before an application in this respect can be entertained.

(ix) In case of death of the rearer before the complete liquidation of the loan the remaining part of the loan shall be recoverable from the legal heir or successor in a lump sum, in case the heir or the successor practice rearing, the outstanding loan of the deceased, if any will be transferred to him and he will be subject to the conditions relating to the grant of House Building Advance to rearers.

(x) The loan can be advanced only once to a rearer.

VI—OTHER ADVANCES

14-25. Advances may also be made for the purposes and under the rules specified below :—

a) To a Government servant under orders of transfer, up to an amount not exceeding one month's substantive/presumptive pay plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the authority sanctioning the transfer. The advances should be recorded on the Government servant's last pay certificate. The advance of pay should be recovered from the pay of the Government servant in ¹five equal monthly instalments beginning with the month in which a full month's pay is drawn after the transfer. The advance of travelling allowance should be recovered in full on submission of the Government servant's travelling allowance bill.

Note 1.—The advance referred to in the rule is also premissible to a Government servant who receives orders of transfer during leave.

Note 2.—Authorities competent to sanction advances under this clause may sanction such advances for themselves also.

Note 3.—The advance of pay under this clause may be allowed to be drawn at the new station soon after the arrival of the Government servant there, on production of the last pay certificate showing that no advance was drawn at the old station.

Note 4.—The sanction of the competent authority to personal advances may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented at the treasury.

Note 5.—An advance of travelling allowance taken on the occasion of transfer should be adjusted by submitting travelling allowance bills promptly within one month of the date of completion of the journey.

(b) Advance may be granted to a Treasury Officer or Superintendent of Police for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.

¹[(c) Government servants who travel from **Leh to Valley** or outside and vice versa either by air or by road on tour be allowed travelling allowance in advance of undertaking the journey, to be adjusted when the journey is completed.]

²[(d) Advance T. A. may be granted to employees who are required to proceed beyond their headquarters on any Election duty involving, journey (s) which normally qualify for grant of T. A./D. A. T. A. in such cases shall be debitable to ³[2015 Elections.] The concerned shall submit the adjustment bills for advance drawn within 15 days of completing the return journey, failing which the amount drawn shall be recoverable in lump from the pay next due to the employee after the election.

⁴[Government Instructions ;

(a) Head of Office/Drawing and Disbursing Officers concerned shall be the authority competent to sanction advance T. A. wherever admissible, to the official (s) subordinate to him/her and deployed on election duty. The bills of advance T. A. shall be accompanied by a copy of order of the competent authority sanctioning advance T. A. and a copy of the appointment order for deployment of the official (s) on election duty.

(b) Notwithstanding anything contained in Rules 5. 26-A, 5.38-A and 5.54-A of Jammu and Kashmir Treasury Code Volume-I (inserted vide Notification SRO-306 dated : 18-8-1981) amended from time to time.

(i) the bills of advance/adjustment T. A. shall be presented at the concerned treasury by the concerned Drawing and Disbursing Officers and paid by the Treasury Officer irrespective of the scheduled dates of payment on any working day.

1. Inserted vide F. D. Notification SRO-525 dated : 6-10-1980.

2. Inserted vide F. D. Notification SRO-91 dated : 12-3-1985.

3. Substituted vide F. D. Notification SRO-306 dated : 2-9-1996.

4. Inserted vide F. D. Notification *ibid*.

(ii) No specific fund allocation for advance drawal/adjustment of T. A. debitable to Account Head "2015-Election" shall be required. The allocation of funds for advance drawal and/or adjustment of T. A. claims as billed for shall be deemed to have been made under the Account Head "2015-Elections" to the extent of the amount of advance/adjustment bill.

(c) For purposes of drawal of advance adjustment of T. A. bills debitable to Major Head of Account "2015-Elections" in connection with the Parliamentary/Assembly Elections, the concerned Drawing and Disbursing Officers shall be deemed to have been vested with the drawing and disbursing powers under Account Head "2015-Elections" at the respective Treasuries of operation to the extent of funds as per sub-para (b) (ii) above.

(d) The treasury Officers shall submit a copy of the list of payment (Mudwar) made at the treasury during a month to the District Election Officer concerned to vouch for the adjustment of the expenditure under Elections Grants placed at his disposal by the Chief Electoral Officer/Election Department for the accounts being rendered to the concerned quarters.

(e) As regards drawal of advance/adjustment of T. A. by debit to Election Grants in respect of such employees of Corporation/Local Bodies/Autonomous Bodies, as may be deployed on election duty by the competent authority, the same shall initially be paid in advance/adjusted by the concerned Corporation/Local Bodies/Autonomous Bodies by debit to their own grants and subsequently reimbursement shall be claimed from the concerned District Election Officers who shall debit the same to the election grants as per the actual amounts of expenditure incurred on this account by the concerned Corporation/Local Bodies/Autonomous Bodies, sufficient details thereof shall be made available by the concerned Heads of the Corporation/Chief Executive to the concerned District Election Officer.

(f) Adjustment of expenditure on account of T. A. paid to such of the Central Government Employees/any State Government Employees (other than J & K State), as may be deployed on Parliamentary/Assembly Elections in connection with the affairs of J & K State, shall be made by Accountant General J&K by book adjustment to the extent it has been paid for by the concerned Central/State Government and appears in the books of the concerned Accountant General.

Pending cases, if any, shall be settled accordingly.

14-26. Advances of pay and travelling allowance to non-gazetted Government servants and of travelling allowance only to Gazetted Government servants may be allowed on the occasion of the annual move of Government, Such advances of pay may be recovered in ¹[five] equal instalments like advances of pay under 14-25 (a).

14-27. Advance for tour outside the State may be drawn by the Ministers and Ministers of the State without the authority of the Accountant General. The amount of advance will, however, be estimated and its adjustment regulated as provided in rule 14-29 infra.

14-28. No advance for pay, T. A. or extraordinary charges is to be made to a Government servant except under the orders of the Accountant General unless specifically authorised elsewhere.

²[14-29. Authorities competent to sanction under Government Order No. 251-GD of 1973 dated : 22-1-73 tour outside the State of Officers subordinate to them may also sanction advance of T.A. to the concerned when they may have to proceed outside the State on tour. ³[The Resident Commissioner, Delhi, will be competent to sanction advance T.A. of Officers subordinate to him in the Commission and/or Trade Agencies, as and when they may have to proceed on tour outside the State/Union territory, of their posting and the advance will be calculated and sanctioned only by the mode of travel to which the officer is entitled under rules.]

Provided that :—

(a) the distance to be covered by the journey whether by air or by road or partly by air and partly by road exceeds 322 Kilometers on one side from the Government servant's Headquarters or from the place the journey is to start ;

(b) a proper programme of the journey to be made is drawn up and approved by the competent authority ; and

(c) the amount of advance is calculated on the basis of the programme and at the rates admissible under rules to the Government servants concerned.

1. Substituted vide F. D. Notification SRO-325 dated : 21-7-1981.
2. Recast vide F. D. Notification SRO-192 dated : 30-4-1974.
3. Recast vide F. D. Notification SRO-537 dated : 22-10-1974.

¹[Note.—The District Development Commissioners Leh and Kargil shall also be competent to sanction advance T. A. not exceeding Rs. 400 in each case, in favour of such Government employees subordinate to them as may be required to travel on Government duty by Indian Air Force Planes from Leh to Jammu/Srinagar, in winter months from 1st November to 1st May.

²[14-29-A. A competent authority may sanction an advance to a Government servant for treatment outside the State as admissible under rule 7 of the Jammu and Kashmir Civil Service (Medical Attendance) Rule, 1970 subject to the following conditions :—

(a) charges for treatment to the extent reimbursable under rules shall be determined by the sanctioning authority after proper scrutiny and if need be in consultation with the Director Health Services, and 75% of the estimated charges will be admissible as advance ;

(b) the authority competent to sanction the advance will be the authority who sanctions the deputation of the beneficiary outside the State ;

(c) in case after taking the advance the treatment is not availed of, the advance will be recoverable immediately in lump with interest @ 8% for the period the amount has been retained ;

(d) a temporary Government servant who may draw the advance shall have to furnish a surety of permanent Govt. servant of his or higher status so as to indemnify the Government to repay, if any, unspent amount and render proper accounts for the amount spent ; and

(e) the adjustment bill of the amount advanced will be submitted by the Government servant within a month of conclusion of the treatment duly supported by necessary certificates and vouchers. Failing to submit the accounts within the prescribed period, the beneficiary will be liable of refunding of the advance in lump.]

1. Inserted vide F. D. Notification SRO-370 dated : 17-9-1968.
2. Inserted vide F. D. Notification SRO-30 dated : 20-1-1972.

VII-CONDITIONS OF REPAYMENT

14-30. All advances are subject to adjustment by the Government servants receiving them, in accordance with the rules applicable to each case. When an advance is adjustable by recovery the amount to be recovered monthly should not be affected by the fact of a Government servant going on leave of any kind with allowances or on subsistence allowance. It is, however, open to the Government to order a reduction in any case in which they deem it right to do so, provided that in the case of interest bearing advances, the whole amount shall be completely recovered by the due date.

VIII-FORMS OF DRAWING AND REPAYING OF ADVANCES

14-31. (a) These advances may be drawn on ordinary pay or travelling allowance bill form. The names of Government servants with their designations and the amounts of advances sanctioned for each should be clearly indicated in the form to be used for the purpose. Other loans and advances may be drawn on a simple receipt in Form F. C. 40.

(b). A personal advance to a Government servant may be repaid either in cash, or by deduction from his pay or travelling allowance bill as may be required under the rule or order applicable to each case. The recoveries of advances through the pay bills should be supported by the schedules of recoveries of advances in Form F. C. 39 separate schedules being attached for different types of advances. In cases in which payment is made in cash, remittance of the amount to the particular treasury or office from which the advance was drawn is not necessary.

14-32. The vouchers on which loan or advance is drawn must quote the authority sanctioning such a loan or advance and payment will be made by the treasury on the authority of such sanction. ¹[Deleted].

14-33. In repaying an advance, the memorandum presented at the treasury, or the schedule attached to the pay bill, as the case may be, must state the original date, amount of the advance and name of the treasury or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal the interest must be separately specified. If the repayment is a fixed periodical amount including both interest and principal the orders fixing the amount shall be quoted.

1. The last sentence of rule 14-32 reading as "in cases of loans and advances requiring sanction of the Government no part of such a loan or advance can be disbursed except under the order of the A. G." deleted vide F. D. Notification SRO-527 dated 27-12-1965 effective from 24-11-1965.

(a) CLEARANCE OF ADVANCE

14-34. An advance requiring adjustment by bills should be cleared within six months from the date of drawal failing which Accountant General will have power to stop the pay of the officer concerned reporting the fact to the concerned Department of the Government. This does not apply to Taccavi advances.

(b) EXEMPTION OF STAMP DUTY ON MORTGAGE DEEDS

14-35. Mortgage deeds executed by the State or Central Government servants obtaining House Building, Motor Car and Motor Cycle Advances as per the above rules shall be exempted from payment of stamp duty.

ANNEXURE TO CHAPTER XIV

[Referred to in rule 14-20 (3)]

Application for Advance for the purchase of Motor Car/Motor Cycle

1. Name of applicant ..
2. Applicant's designation ..
3. District and Station ..
4. Pay.—
 - (i) Substantive Pay ..
 - (ii) Officiating pay or pay drawn in a temporary post ..
 - (iii) Special/personal pay ..
5. Anticipated price of motor car/cycle ..
6. Amount of advance required ..
7. Date of superannuation or retirement or date of expiry of contract in case of a contract officer ..
8. Number of instalments in which the advance is desired to be repaid ..
9. Whether advance for similar purpose was obtained previously and if so— ..
 - (i) date of drawal of the advance ..
 - (ii) the amount of advance/or interest thereon still outstanding, if any ..

10. Whether the intention is to purchase
 - (a) a new or an old motor car/cycle ..
 - (b) if the intention is to purchase motor car/cycle through a person other than a regular or reputed dealer or agent, whether previous sanction of the competent authority has been obtained for the purchase of a motor car/cycle ..
11. Whether the officer is on leave or is about to proceed on leave—
 - (a) the date of commencement of leave ..
 - (b) the date of expiry of leave ..
12. Are any negotiations preliminary enquiries being made so that delivery of the motor car/cycle may be taken within one month from the date of drawal of the advance ? ..
- 13-5 (a) Certified that the information given above is complete and true.
- (b) Certified that I have not taken delivery of the motor car/cycle on account of which I apply for the advance, that I shall complete negotiations for the purchase of, pay finally and take possession of the motor car/cycle before the expiry of the month from the date of drawal of the advance, and that I shall insure it from the date of taking delivery of it.

Applicant's Signature

Date :

CHAPTER XV—BILL REMITTANCES (HUNDIES)

I—INTRODUCTORY

15-1. Cash Orders from one treasury upon another can be obtained by means of Hundies in Form F. C. 42.

Note.—Hundies may be issued within the State by one Treasury Officer upon another, irrespective of any district or provincial restriction and of the time, of issuing, as was observed in the past.

15-2. The person or officer that draws (i. e., issues or grants) a bill is called the drawer, the person or officer on whom it is drawn (and who will have to pay it) is the drawee, the person or the officer to whom a Hundi is granted is called the remitter ; the person or party to whom it is payable is the payee.

15-3. A Hundi is not transferable and is only payable to or on the receipt of the person named therein as payee but payment will be made, if so desired, on the endorsement of the Hundi in favour of a recognised bank.

II—MONEY LIMIT

15-4. A Treasury Officer should see that the total amount of Hundies issued on a particular treasury does not on one day exceed the sanctioned cash limit of the Treasury drawn upon.

III—ISSUE OF HUNDIES BY TREASURY OFFICERS

15-5. Hundies are issued by Treasury Officers to Government servants in the Civil Departments and to the public only under the conditions specified under rules 15-6 to 15-8.

(a) At Par

15-6. (i) To Government servants in the Civil Departments for a remittance to be made by him in his official capacity in payment of any service rendered to Government or in pursuance of his official duties. The purpose of the Hundies must be clearly stated in the application. Government servants requiring Hundies on public service, such as :—

(a) in payment or part payment of any bills of any district establishment, part of which is employed in the interior of the district

(b) in payment of contingent expenditure drawn on a bill presented by an office located at the headquarters of a district ; or for any supplies and services rendered to Government by any private person will submit with the cash or bill, as the case may be a formal application certifying that they are wanted exclusively for public purposes and describing the object of the remittance ; if the treasury officer doubts whether the object is really public, he should state his doubt to the applicant or take the orders of the **Deputy Commissioner or Finance Department** (in the case of Treasuries at Srinagar and Jammu). On grant of a Hundi its number should be noted on the application which should then be pasted in a rough file book of such applications arranged in order of their receipt. Questionable grants should be reported to the Finance Department or Deputy Commissioner as the case may be with a view to the issue of instructions for future guidance.

(ii) To Government servants of the Public Works Department such as Executive Engineers, Assistant Engineers and Sub-Divisional Officers whether they have drawing account or not, for payment to be made outside their District, but within their jurisdiction and on public service and not for private purposes for the convenience of contractors.

(iii) To Co-operative Societies functioning in the State.

(iv) To Departments of Government of India functioning in the State.

Note.—When purchases are effected or work is done by one P. W. D. for another, the adjustment will be made by book transfer.

(b) At Premium.

15-7. (i) To persons having to pay revenue in a treasury other than the one at which money is presented Hundies at 50 P. per hundred subject to the minimum of Re. 1.00 may be issued. In such cases the details of the transactions must be recorded on the back of the Hundi and it should be stated that it is not payable in cash but by transfer credit to the Account Head concerned and against the outstanding of the revenue payer named. These Hundies should be drawn in favour of the Tehsildar or Naib-Tehsildar who is primarily responsible to recover the dues, so that he may give credit in Revenue Demand Register.

(ii) To private individuals or concerns and quasi-commercial concerns at a premium of 50 P. per hundred or a fraction thereof.

(iii) Hundies in favour of Government employees of the Ladakh District may be issued on all treasuries in the State by Ladakh and Kargil Treasuries throughout the year at a premium rate of 25 P. per cent for amounts in round hundreds.

(iv) Hundies may be issued on and by Leh and Kargil Treasuries to private individuals or concern or quasi-commercial concerns at a premium of 50 P. per hundred or a portion thereof, even for remittances of private nature.

IV—ISSUE OF DUPLICATES OF HUNDIES

15-8. When satisfactory evidence has been given that a draft has been either lost or destroyed, and an application is made within a reasonable time (say six months) after issue but before it has lapsed a duplicate may, without reference to the Accountant General, be granted to the party who obtained the original or to the payee, or to the legal representative of either, but to no other person. If the Hundi should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee, but the issue of this certificate will be no bar to the payment of the lost Hundi, if presented before the duplicate is paid. The duplicate Hundi, should not be issued unless the issuing officer has satisfied himself by reference to the office drawn upon that the original has not been paid. A duplicate issued in lieu of the last one should be revalidated by the drawing officer if the period of currency of the local Hundi has expired. The duplicate must be drawn in exactly the same terms as the original instrument with the same date, the same number, the same amount and the name of the same payee. If a lost Government Hundi has been endorsed to the payee's bankers, the endorsee must apply for a duplicate through the original payee.

Note.—No special form is prescribed for duplicate drafts. When it is necessary to issue duplicates, the word 'Duplicate' should be prominently written in red-ink on the face of the ordinary Hundi form and the relative advice forms, nor is it necessary to obtain fresh applications in the prescribed form from the purchaser. A letter intimating the loss of the original draft and requiring the issue of a duplicate one in lieu thereof will be sufficient for the purpose.

15-9. No bill can be cancelled without surrender of the whole set. Thus if a duplicate has been issued the bill can be cancelled only if the original is surrendered. Consequently, no refund can be made on a lost bill; a duplicate must be obtained and payment taken at the treasury drawn on.

15-10. All parts being surrendered, a Hundi may be cancelled and its amount refunded at the discretion of the treasury officer on the application and receipt of the remitter. It must be clearly understood that a Hundi can be cancelled only as an indulgence and for cause shown. No premium which has been levied can be refunded. If, therefore, under any very peculiar circumstances, it is thought advisable to cancel a Hundi on which the premium has been allowed, only the amount received after excluding premium should be refunded.

Note.—If alteration of the name only of the payee is required by the remitter, it will suffice for the drawer to alter the same in the bill (initialling the correction) and to advise, the drawee.

V—EXCHANGE OF HUNDIES

15-11. A Treasury Officer will grant a Hundi in exchange for one drawn on him :—

(i) if on Government account, only if the payee be a public officer and require the Hundi to be exchanged for reasons to be stated in the application.

(ii) in other cases, only if the holder has been removed to the neighbourhood of a treasury different from that originally drawn on.

Note.—A bill is said to be exchanged when the payee, being unable to appear and take payment in cash, applies for a new one endorsing the original "Received payment by transfer receipt on....."

If he can appear and take payment in cash, his obtaining a new bill with the cash paid on the old one is a matter to be disposed of under ordinary rules.

VI-UNPAID HUNDIES

15-12. Hundies which are outstanding for more than six months can be paid only after obtaining necessary confirmation from the drawing officer.

VII-LAPSE OF HUNDIES

15-13. Hundies, if not presented for payment before the end of the year following that in which they are issued, will be concerned as lapsed, and a note to that effect will be given on the advices concerned in the treasuries drawn upon. A statement of the Hundies, if any thus lapsed, will be submitted to the Accountant General at the close of each year, and payment for them if claimed subsequently, will require pre-audit by the A. G.

CHAPTER XVI-BUDGET

I-INTRODUCTORY

16-1. Detailed rules defining the responsibilities and laying down the procedure for the preparation of budget estimates, prescribing the forms of the estimates and of grants, those relating to powers of re-appropriation, control over expenditure and other budget matters generally appear in the Kashmir Budget Manual.

16-2. A statement of the estimated annual revenue and expenditure of the State is prepared by the Finance Department and presented to the legislature. This statement is generally known as the Annual Financial Statement or the Budget.

16-3. The proposals in connection with the votable part of the Budget are submitted to the vote of the Legislative Assembly in the form of Demands for Grants. The detailed estimates presented in support of each demand include provision both for votable and charged expenditure though the two classes of expenditure are clearly distinguished.

16-4. The form of the Budget and Demands for Grants is laid down by the Finance Department and no alteration of arrangement or classification can be made without the approval of that Department.

16-5. The material on which the Budget and Demands for Grants are based is obtained by the Finance Department in the form of detailed estimates submitted by Heads of Departments, etc. who in their turn depend for the material on heads of offices and other officers who collect the revenues or incur expenditure. The Accountant General is responsible for rendering such assistance in the preparation and check of Budget Estimates as may be settled by the Finance Department in consultation with the Accountant General.

16-6. All estimates of revenue and expenditure included in the Budget are for the financial year.

Note.—Financial year means the year beginning on the 1st of April and ending on 31st March following (see Rule 1-22).

II—APPROPRIATION OF FUNDS NECESSARY TO MAKE SANCTION TO EXPENDITURE/EFFECTIVE

16-7. Sanction to the expenditure of money becomes operative only when funds have been appropriated to meet such expenditure and does not become operative until they have been so appropriated.

There are thus two elements necessary before public money can be spent on any object or work :—

1. There must be an act of sanction of an authority competent to sanction.
2. There must be an act of appropriation of funds for the purpose by an authority competent to appropriate.

Note 1.—When stores are purchased for issue to works or for services provided for within the grant under which the “suspense” head, appears provision is to be made for net expenditure, but where such stores are issued to works for services provided under a grant other than the one under which the suspense head appears, provision is to be made for gross expenditure.

Note 2.—The mere, fact that charge which requires specific sanction of Government or any other competent authority has been included and adopted in the Budget does not by itself continue, any authority for payment of such charges.

16-8. Sanction to recurring expenditure covering a specific period becomes operative when funds are appropriated to meet the expenditure of the first year, and remains in operation till the end of the specified period subject to appropriation in each year.

16-9. In dealing with recurring expenditure disbursing officers must not only take the precautions indicated in rules 16-6 and 16-9 to 16-14 below as regards its initiation but also those indicated in rule 16-7 as regards its close, sanction to recurring expenditure terminates :—

(a) With the expiry of its specified term whether continuously or in broken periods ; disbursing and controlling officers are, therefore,

responsible for maintaining a check register of recurring temporary sanctions, showing when each expires.

(b) When funds are no longer appropriated.

16-10. It follows from the foregoing rules :—

(a) that it is not sufficient merely to have sanction of competent authority to the expenditure ; for example the entertainment of a clerk may be sanctioned from the 1st April next, but he must not be entertained until the Budget has been passed and the requisite funds communicated ;

(b) that it is not enough merely to have funds for specific item of expenditure (such as the entertainment of a clerk passed in the budget). The expenditure must also be sanctioned by competent authority.

III COMMUNICATION OF BUDGET ALLOTMENTS

16-11. The act of appropriation of funds requires the communication of the Budget allotment or supplementary allotments or re-appropriation in the manner laid down in the Kashmir Budget Manual.

No appropriation is conveyed merely by the inclusion of item of expenditure in the revised estimates unless these are followed by valid re-appropriations sanctioned by a competent authority or additional funds are provided by a supplementary grant/appropriation voted/approved by the Legislature.

IV INDICATION OF SOURCE OF APPROPRIATION IN THE SANCTION TO EXPENDITURE

16-12. Authorities which sanction expenditure after funds have been communicated, should be careful to indicate the source of appropriation.

Note.—The authority sanctioning the expenditure should indicate the Head of Account to which the expenditure is debitable before communicating the sanction to the Accountant General.

16-13. Where it is desired to sanction expenditure before funds have been communicated as may be necessary in order to avoid delay in starting work at the beginning of a new financial year or to prevent

duplication of orders, the authority which does so should be careful to add the words 'subject to funds being communicated in the budget of the year.....'

16-14. If a Government servant receives a sanction to expenditure which does not either indicate the source of appropriation or state that the sanction is subject to appropriation it is his duty to refer the case back for orders.

16-15. Vague expressions such as 'subject to budget provisions' should be carefully avoided in conveying sanctions to expenditure. It is necessary to 'provide' for expenditure in the Budget, but to do so conveys no guarantee that it 'will be provided, in the sense that it will be granted.

V-APPLICATION FOR SANCTION TO EXPENDITURE

16-16. (a) In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge, has or has not been made in the budget estimates of the year and if it has not been made, whether the fund can be found by re-appropriation.

(b) Expenditure for which no provision has been made in the Budget estimates of the current year should rarely, if ever, be incurred. If on account of exceptional reasons expenditure which is either not provided for in the Budget estimates of the current year or is in excess of the Budget has to be incurred and if the authority incurring the expenditure is not in a position to find funds by re-appropriation, an application should be made for the provision of funds as laid down in the rules in the Kashmir Budget Manual.

VI-INCURRING OF EXPENDITURE IN ANTICIPATION OF FUNDS

16-17. In the event of orders communicating the allotment of funds not being received before the commencement of the financial year, disbursing officers may authorise expenditure in anticipation of funds on pay and other charges, on the basis of that incurred in the last month of the preceding year.

Note.—This relaxation should not be regarded as a relaxation of the rules contained in Chapter 6 of the Kashmir Budget Manual under which the Heads of Departments are required to carry out the distribution of the grant not later than the 1st May in each year.

VII-EXPENDITURE NOT PROVIDED FOR

16-18. (a) No expenditure which is likely to involve an excess over the grant, authorised by the Legislature, can be incurred in anticipation of their approval. Similarly, no expenditure can be incurred on any 'New Service' without the specific vote of the Legislature. With a view however, to financing unforeseen expenditure, 'Contingency Fund' has been established. The rules governing this Fund are contained in Annexure to this Chapter.

(b) As laid down in Contingency Fund Rules advances from the Fund are permissible provided these are duly sanctioned for purposes of meeting unforeseen expenditure including expenditure on any 'New Service' which is unforeseen and inescapable, not contemplated in Annual Financial Statement, and which is incurred before it is possible to obtain a Supplementary Vote from Legislature. The Fund shall not be used to cover an overall increase in expenditure on special items. Thus, the advances will only be justified mainly on the score of the security of the State and on equally cogent grounds and advances from the Fund will not be made to supply departmental budgetary omissions.

VIII-INCURRING OF EXPENDITURE IN EXCESS OF THE PROVISIONS IN THE ESTIMATES

16-19. No Government servant may, without previously obtaining an extra appropriation incur expenditure in excess of the amount provided for expenditure under the heads concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

IX-INEVITABLE PAYMENTS AND GENERAL RULES FOR PAYMENTS AGAINST SANCTIONED GRANTS

16-20. An appropriation is intended to cover all the charges including the liabilities of past years to be paid during the year or to be

adjusted in the accounts of the year. It is operative only until the close of the financial year, any unspent balance lapses and is not available for utilisation in the following year.

Note.—The Financial year closes on the 31st March. After that date all cash and actual stock transactions are treated as pertaining to the following year but *bona fide* transfer entries are permissible for some months. Stock transactions relating to rectification of errors may take place even after the 31st of March.

16-21. The want of provision in the estimates does not however, operate to prevent payment of any sums really due by Government or want of sanction to prevent record of any actual payment.

16-22. (i) It is an important financial principle that money indisputably payable, should not as far as possible, be left unpaid and that money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payment even for the purpose of avoiding an excess over a grant or appropriation and it is very important to ascertain, liquidate and record the payments of all obligations at the earliest possible date.

Note.—When demands (original or supplementary) are placed before the Legislature, suitable provision should always be made for anticipated liabilities. Under the direction contained in the Account Code Vol. IV inter-departmental and other adjustments are not to be made in the accounts of the past year, if they could not have been reasonably anticipated in time for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as for example, recurring payment to another Government or Department and payments which though not of fixed amount, are of a fixed character, etc., the Accountant General will automatically make the adjustments in the accounts until they are finally closed. The provisions of the directions referred to above that adjustment should not be made in the previous year's accounts should not be used as a cloak to conceal the results of defective budgeting. The onus of proving that the disbursements could not have reasonably been anticipated should lie on the controlling officer.

(ii) A disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal ; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation at his disposal he should take the order of the administrative authority to which he is subordinate before authorising payment of the claim in question.

16-23. Under no circumstances may a charge incurred be allowed to stand over to be paid from the grant of another year. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means but on no account may charges be actually incurred in one year and thrown on the grant of another year.

16-24. It is also not permissible to draw advance from the treasury to prevent the lapse of appropriations.

X—PROVISION FOR EXPENDITURE IN RESPECT OF WORK UNDERTAKEN BY ONE DEPARTMENT ON BEHALF OF ANOTHER

16-25. The Department responsible for providing the funds should intimate, to the department undertaking the work, the sanctioned grant within which the expenditure is to be incurred and the department incurring the expenditure should be made responsible for seeing not only that the grant is not exceeded but also that any anticipated savings therein are notified and surrendered in time. In cases where an excess is anticipated the department incurring the expenditure should be held responsible for seeing that the grant for the work is appropriately increased by the employing department before the excess is actually incurred.

ANNEXURE

[Referred to in Rule 6.18 (a)]

Jammu and Kashmir "Contingency Fund" Rules as sanctioned under Government Order No. 109-F of 1958 dated 27-3-1958.

1. These rules may be called the Jammu and Kashmir Contingency Fund Rules.

2. The Contingency Fund of the State of Jammu and Kashmir shall be held on behalf of the Governor of Jammu and Kashmir by the Finance Department.

3. Advances from the Fund shall be made for the purposes of meeting unforeseen expenditure including expenditure on a new service not contemplated in the Annual Financial Statement.

4. Applications for advances from the Fund shall be referred to the Finance Department by the Administrative Department. The applications shall give—

- (i) brief particulars of the additional expenditure involved ;
- (ii) the circumstances in which provision could not be included in the Budget ;
- (iii) why its postponement is not possible ;
- (iv) the amount required to be advanced from the Fund with full cost of the proposal for the year or part of the year, as the case may be ; and
- (v) the grant or appropriation under which supplementary provisions will eventually have to be obtained.

5. Supplementary estimates for all expenditure so financed shall be presented to the State Legislature at the first session meeting immediately after the advance is sanctioned. As soon as the State Legislature has authorised the additional expenditure by including it in

any Supplementary Appropriation Act, the Advances made from the Fund shall be resumed to the Fund.

Note 1.—In exceptional circumstances to be recorded in writing, the supplementary estimates, when they cannot be presented to the State Legislature in the ensuing session, may be so presented at a subsequent session.

Note 2—While presenting to the State Legislature estimates for all expenditure financed from the Contingency Fund, a note to the following effect will be appended to such estimates :—

'A sum of Rs. has been advanced from the Contingency Fund in and an equivalent amount is required to enable repayment to be made to that Fund.'

Note 3.—If the expenditure on a new service not contemplated in the Annual Financial Statement can be met, wholly or partly, from savings available within the authorised appropriation, the note appended to the estimate submitted shall be in the following form :—

'The expenditure is on a new service. A sum of Rs. has been advanced from the Contingency fund in and an equivalent amount is required to enable payment to be made to that Fund.

The amount, viz., Rs. /A part of that amount, viz., Rs. can be found by re-appropriation of saving within the grant and a token vote only is now required/a vote is required for the balance, viz. Rs. only.

6. A copy of the order sanctioning the advance which shall specify the amount, grant or appropriation to which it relates and give brief particulars by sub-heads and units of appropriation of the expenditure for meeting which it is made, shall be forwarded by the Finance Department to the Accountant General, Jammu and Kashmir.

¹[6-A. All advances sanctioned from contingency fund to meet expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act shall be resumed to the Contingency Fund as soon as the Appropriation Act in respect of the expenditure on the service for the whole year, including the excess met from the advances from the Contingency Fund has been passed.

An advance obtained from the Contingency Fund for expenditure on "New Service" during the (Vote on Account) period for which adequate provision exists in the Appropriation Bill for the year will stand resumed to the Fund as soon as the Appropriation Act for the whole year has been passed by the Legislature and assented to by the Governor].

²[The Legislature may be apprised of such advances by placing a statement in the prescribed form (Form AA) on the Table of the House by the Finance Minister showing advances sanctioned from the Contingency Fund during the "Vote on Account" period for expenditure on "New Service" items for which necessary provision has been made in the Budget Estimates of that year before the appropriation bill for the whole year is introduced in the Legislature. This arrangement will however, not apply to the Contingency Fund advances for expenditure on "New Service" items sanctioned during the "Vote on Account" period but after the relevant demand for grant has been passed by the Legislature.]

7. A copy of the order resuming the advance, which shall give a reference to the number and date of the order in which the original advance was made and to Supplementary Appropriation Act referred to in rule 5 shall be forwarded by the Finance Department to the Accountant General, Jammu and Kashmir with a copy to the Department concerned.

8. An account of the transactions of the Fund shall be maintained by the Finance Department in Form A annexed to these rules.

9. Actual expenditure incurred against advances from the Contingency Fund of the State of Jammu and Kashmir shall be recorded in the account relating to the Contingency Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

1. Inserted vide F. D. Notification SRO-439 dated : 10-9-1971.
2. Recast vide F. D. Notification SRO-491 dated : 29-9-1973.

FORM A
CONTINGENCY FUND OF THE STATE OF JAMMU AND KASHMIR

Serial No.	Date of transaction.	Number and name of grant or appropriation.	Number and date of the application for advance.	Number and date of the order making the advance.	Amount advanced.	Supplementary Appropriation Act providing for the additional expenditure.	Amount of the advance resumed.	Balance after each transaction.	Initials of Officer-in-charge.	Remarks.
1	2	3	4	5	6	7	8	9	10	11

Amount of the Fund.....

Rs.

Note.—1. The balance should be struck after each transaction.

2. The amount of the advances should be entered in black ink when made, and in red ink, when resumed.