

CONVEYANCE ADVANCE RULES OF COAL INDIA LIMITED

1. ELIGIBILITY

Under these rules a Motor car, Motor cycle or Scooter advance will be admissible to the following :

- (i) Motor car or Motor cycle/Scooter/Moped advance will be admissible to the company's officers drawing a pay of Rs. 1500/- and above and a Motor cycle/Scooter/Moped advance will be admissible to the officers drawing a pay below Rs. 1500/- subject to discretion of the sanctioning authority as to whether a Motor car/Motor cycle/Scooter/Moped is necessary for the efficient discharge of duties. Chairman-cum-Managing Director/Functional Directors would, however, have the discretion to sanction Motor Car Advance to the officer drawing pay less than Rs. 1500/- per month.

(Authority : CIL's Office Order No. CIL : C-5A(vi) : 50721 : 51, dated 29.4.1982)

- (ii) *Temporary and Quasi-permanent Officers, provided they furnish surety of a permanent Company Officer of comparable or higher status.*
- (iii) In the case of probationers it will be for the sanctioning authority to decide if a surety should be furnished by the applicant or not.
- (iv) A contract Officer may also be given the advance provided he furnishes surety of a permanent Company Officer and agrees to repay the full amount with interest within the period of contract if it is less than the maximum period prescribed for repayment by regular Company Officers.

Note :

- An advance should not be sanctioned for a Company Officer who is on leave. A company officer who is about to proceed on leave and for whom an advance has already been approved and sanctioned, will not be allowed to draw the advance earlier than a week before the expiry of the leave.
- A company Officer on deputation to foreign service should draw the advance from the foreign employer, but with the approval of the Company and subject to the same conditions as would have been applicable if he had not gone on foreign service. In exceptional cases where the foreign employer is not in a position to give an advance, it may be paid from the company's funds. This does not apply to cases where the Company's Officer proceeds on deputation out of India and desires a motor car for use during deputation. No advance is admissible in such cases.

2. AMOUNT

In the case where the Company Officer is granted an advance for the first time for purchase of a Motor Car, Motor Cycle/Scooter, the quantum of advance will be regulated as follows :

	Maximum Advance	Mode of Recovery
(i) Motor Car	Rs.45,000/- or price of the car or 20 months pay of the Officer whichever is the least.	In not more than 100 equal monthly instalments
(ii) Motor Cycle/Scooter	Rs. 6000/- or price of the Motor Cycle/Scooter or six months pay of the officer whichever is the least	In not more than 72 monthly equal instalments
(iii) Moped	Rs.4,000/- or price of the Moped or four month's pay of the officer whichever is the least	In not more than 60 monthly equal instalments

(Authority : CIL's Office Memorandum No. CIL : C-5A(vi) : 50721 : 1 : 216, dated 23.8.1985).

3. ESSENTIALITY CERTIFICATE

It should be certified by the Controlling Officer that the purchase of a Car by the Company's Officer is necessary for the efficient discharge of his official duties, unless the condition of service in the particular case or as a condition of holding a particular post.

4. GRANT OF SECOND ADVANCE

A second advance for the replacement of the old car purchased with an advance from the Company can be sanctioned only after the previous advance with interest has been fully repaid. A second advance is not to be reduced by the sale proceeds of the first car. For the second advance the essentiality certificate regarding the purchase of the car being in the interest of Company is not necessary.

5. PURCHASE BEFORE SANCTION OF ADVANCE

An advance may be given for repaying a short private loan taken for the purchase of a car, provided that :

- (i) The conveyance is purchased after applying for the advance, and
- (ii) The conveyance is purchased within three months of applying for the advance.

Note :

The advance will not be admissible if the conveyance has already been purchased before the application for the grant of the advance.

6. CERTIFICATE OF AVAILABILITY OF FUNDS

Before the advance is sanctioned a separate reference should be made to the Controller of Accounts to certify that funds are available for the grant of the advance.

7. SANCTIONING AUTHORITY

The powers of the sanctioning authority under these Rules will be exercised by the Functional Directors at the Apex Office and the Managing Directors at the Divisions. The power may be delegated to subordinate Officers, if required.

8. SANCTION OF THE ADVANCE

The sanction should be issued after the Controller of Accounts has certified regarding the availability of funds. The Sanction should, inter-alia, mention the :

- (a) amount and purpose
- (b) mode of repayment and interest (see below)
- (c) agreement mortgage and insurance (see below)
- (d) reference to certification of funds by the Controller of Accounts.

9. PROCEDURE AND CONDITION FOR DRAWAL OF THE ADVANCE

(i) Agreement

Before the bill for the amount of the advance is prepared, the Company Officer will have to sign an Agreement with the Company in the prescribed form.

(ii) Bill of the advance

After the agreement in the prescribed form has been signed, bill for the advance is to be prepared on receipt of the authority from the Controller of Accounts and a certificate is given on the bill that the Agreement in the prescribed form has been duly signed by the Company's Officers and is in order. This certificate should also certify on the bill that the advance is not being drawn for conveyance which has already been purchased and paid for, before the application for the advance, and that the

advance claimed in the bill is not more than the minimum amount required to meet the balance of the price of conveyance, if the conveyance, has been paid for in part.

(iii) **Mortgage bond**

The vehicle should be purchased within a month of the date of drawal of the advance and it should be mortgaged to the Company in the prescribed form.

The Bond is then to be signed by the applicant and witnessed. The mortgage bond should be sent to the *Controller of Accounts for scrutiny and return.*

It will then be kept in safe custody of the sanctioning authority till the whole amount of the advance together with interest has been repaid to the Company. A certificate will then be obtained from the Controller of Accounts as to the complete repayment of advance plus interest. The Bond will then be cancelled and returned to the Company Officer. The Insurance Company should also be informed about the cancellation of the Bond.

(iv) **Insurance**

- (a) While any amount remains to be repaid to the Company the conveyance must be insured against full loss by fire, or accident. It should be comprehensive insurance and not merely insurance covering third party risk.
- (b) Under the Motor Vehicles Act all vehicles must be insured as soon as they are on the road. Hence, insurance must be effective as soon as the purchase is made.
- (c) The amount for which the conveyance is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period. The *insurance should be renewed from time to time until the amount due is completely repaid. If the amount of the insurance is less than the balance of the advance plus interest, the difference will be recovered from the Company Officer in three instalment thus reducing the outstanding advance. After the full repayment of the advance with interest, the Company Officer, if he so desires, may take out insurance covering third party risk only.*
- (d) The Company Officer will write a letter to the Insurance Company through the Controller of Accounts. The Controller of Accounts will keep a watch on the payment of insurance premia as *per his endorsement on the letter.*

10. **REPAYMENT OF ADVANCE**

- (i) The advance for the purchase of the Car should be repaid in not more than 100 equal monthly instalments and a Motor cycle/Scooter and Moped advance in not more than seventy two and sixty equal monthly instalments (of whole rupees, fractions, being recovered in the last instalment) plus additional instalments for interest, each such instalment being not appreciably greater than the instalment by which the principal was recovered.
- (ii) The repayment may be made in lesser number of instalments if so desired by the Company Officers.
- (iii) The amount to be recovered monthly will not be affected by the fact of the borrowing Company Officer going on leave, or being put under suspension. But the sanctioning authority may, in exceptional cases, order reduction in the amount of one or more instalments (falling due during leave or suspension) provided that the whole amount due is completely recovered within the period originally fixed (80/60 months or less). This will have to be done by increasing the amount of subsequent instalments.

APPLICATION FOR ADVANCE FOR THE PURCHASE OF

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1. Name of the Applicant :
 2. Designation :
 3. Colliery/Group/Area/Office to which attached :
 4. Pay (Basic Pay) :
 5. Amount of Advance asked for :
 6. Anticipated price of motor cycle/Scooter :
 7. Number of instalment in which the amount is desired to be repaid :
 8. Whether advance for the purchase of any conveyance was obtained previously if so;
 - (a) date of drawal of the advance :
 - (b) the amount of advance and/or interest thereon still outstanding, if any:
 9. Whether the intention is to purchase :
 - (a) a new or an old motor car/motor cycle/scooter
 - (b) if the intention is to purchase motor car/motor cycle/scooter through a person other than a regular or reputed dealer or agent whether previous sanction of the competent authority has been obtained as required under the Conduct Rules :
 10. Whether the applicant is on leave or is about to proceed on leave :
 - (a) the date or commencement of leave :
and
 - (b) the date of expiry of leave :
 11. Are any negotiations or preliminary enquiries being made so that delivery may be taken of the Motor Car/Cycle/Scooter within one month from the date of drawal of advance?
 12. (a) Certified that the information given above is complete and true.
(b) Certified that I have taken delivery of the Motor Car/Motor Cycle/Scooter on account of which I am applying for the advance or that I shall complete negotiations for the purchase of, pay finally and take possession of the Motor Car/Motor Cycle/Scooter before the expiry of one month from the date of drawal of the advance and that I shall insure it from the date of taking delivery of it.

Date :

Applicant's Signature

FORM OF BOND FOR ADVANCE FOR THE PURCHASE OF A MOTOR VEHICLE

This Agreement made this day of the month in the year between so an employee of Coal India Limited/Coal Mines Authority Ltd. as an hereinafter called the 'Board-resident of hereinafter called the "surety" of the Borrower (which expressions shall unless excluded by or repugnants to the context be deemed to include all their heirs, assigns and executions) of the one part and the Coal India Limited/Coal Mines Authority Limited hereinafter called the "Company" or the other party. Whereas the Borrower had applied and had been granted an advance of Rs..... (Rupees). For the purchase of a Motor Car/Motor Cycle/Scooter in accordance with the Rules of the Company presently in force or to be subsequently amended and severally agree to confirm and abide by the following terms and conditions :

1. That the payments of the above said amount will be made by monthly instalments of Rs. out of the monthly pay and remuneration of the Borrower and the Company will be entitled to deduct the same out of his salary.
2. That the said amount of Rs. shall carry interest at per annum.
3. That immediately after purchase of the Motor Vehicle the Borrower shall get it insured against full loss by fire, theft or accident with a Recognised Insurance Company and will also write a letter in the prescribed form to the Insurance Company as required by the Rules of the Company.
4. That the Borrower shall also execute a hypothecation bond with respect to the Motor Vehicle purchased by the Borrower, on the prescribed form as required by the Rules of the Company.
5. That if the Borrower leaves the service of the Company or his services are terminated for any reason whatsoever, before complete payment and realisation of the whole amount advanced and interest thereon, the Company will be entitled to realise the amount due from the Borrower and his surety jointly and severally.
6. That the Borrower undertakes to confirm strictly to the terms of this bond and further agrees that in case of violation of any of the terms aforesaid, the company will be entitled to realise the *entire amount together with interest due from the Borrower and his surety jointly or severally.*

In witness whereof the said Borrower and his surety that hereunto put their hands this days of the month of in the year aforesaid at

[SIGNED BY THE SAID BORROWER]

at in the presence : (Full Signature of the Borrower)

1st witness

Address

Occupation

2nd Witness

Address

Occupation

Signed by Shri at for and on behalf of Coal India Limited

In the presence of

1st witness

Address

Occupation

2nd Witness

Address

Occupation

FORM OF HYPOTHECATION BOND FOR A MOTOR VEHICLE

This Agreement made this day of the month in the year between S/o hereinafter called the "Borrower" in employment of Coal Mines Authority Ltd./Coal India Limited as which expression shall unless excluded by or repugnant to the context be deemed to include all the heirs, executors, and assigns of the Borrower of the One part and the Coal Mines Authority Ltd./Coal India Ltd (hereinafter called the Company) of the other part.

Where the Borrower had applied and had granted an advance of Rs. (Rupees) for the purchase of motor car/motor cycle/scooter in accordance with the rule of the Company presently in force or to be subsequently amended from time to time and where as one of the rules is that the Borrower will hypothecate that said motor vehicle to the Company, and whereas the Borrower has purchased with or partly with the amount so lent as advance the motor car/motor cycle/scooter the particular of which are set out in the Schedule annexed to this agreement.

Now this indenture witness that in pursuance of the said agreement, and for the consideration aforesaid, the Borrower doth hereby agree to pay to the Company the sum of Rs. aforesaid or the balance thereof amounting to Rs. by equal instalments of Rs. each month on the first day of month with interest on the unpaid balance calculated at the rate specified in the Rules of the Company and the Borrower doth agree that such instalments may be recovered by the Company by monthly deductions out of his salary in the manner provided for in the said Rules and in further pursuance of this agreement the Borrower doth hereby assign and hypothecate the said Motor car/ Motor cycle/Scooter to the Company. The Borrower doth declare that he has paid in full the purchase price of the said motor car/motor cycle/scooter and that the same is his exclusive property and that he has not pledged or pawned the said vehicle anywhere else and shall not pledge or pawn it so long as any money remains due to the company and the Borrower hereby agrees, that if at any time, the Borrower shall die, or leave the service of the Company or in any other manner become unfit or unable to pay the Company or if the Borrower may sell or pledge or in any other manner part with the possession of the said vehicle or if the said vehicle is attached in any other manner part with the possession of the said vehicle or if the said vehicle is attached in the execution of any degree against the Borrower, the entire unpaid balance together with all interest then due shall become payable and the Company shall be entitled to recover the same from the Borrower and from his heirs and assigns and it is further agreed that in the event of the happening of any of the above said circumstances the Company shall be entitled to take possession of the vehicle and sell the said vehicle either by public auction or private contract and if the sale proceeds fall short of the dues of the Company, to realise the balance from the Borrower and the borrower further agrees that so long as the entire amount of the company is not paid up, he shall not in any way cause any damage or suffer or permit the vehicle to be damaged in any way so long as this bond is not completely discharged and in the event of any accident or damage to the motor vehicle during the continuance of these presents shall cause them to be repaid and made good forthwith at his own expense.

In witness whereof he said Borrower has hereunder to set his hand this day of the month in the year above mentioned at

Witness No. 1

Witness No. 2

Borrower

THE SCHEDULE

Description of the motor vehicle with cost, marks etc.

FORM OF LETTER TO BE WRITTEN TO THE INSURANCE COMPANY INTIMATING THAT COAL MINES AUTHORITY LIMITED IS INTERESTED IN THE POLICY

From :

To :

Dear Sir,

I beg to inform you that Coal Mines Authority Limited/Coal India Limited is interested in the Motor car/Motor cycle/Scooter Insurance Policy secured in your Company and to request that you will kindly insert a clause to the following effect in the policy.

■ It is hereby declared and agreed that Shri (owner of the Motor Car/Motor Cycle/Scooter) has hypothecated the Motor Car/Motor Cycle/Scooter to Coal Mines Authority Ltd./Coal India Limited as security for an advance for the purchase of the Motor Car/Motor Cycle/Scooter and it is further declared and agreed that the Coal Mines Authority Ltd./Coal India Limited is interested in any moneys, which, but for the endorsement, would be payable to the said Shri in respect of the loss or to the said Motor Car/Motor Cycle/Scooter (which loss or damage is not made good by repair, reinstatement or replacement) and such moneys shall be paid to the Coal Mines Authority Ltd./Coal India Ltd. as long as it is the mortgagee of the Motor Car/Motor Cycle/Scooter and its receipt shall be full and final discharge to the Insurance Company in respect of such loss or damage.

■ Save as by this endorsement expressly agreed, nothing herein shall modify or affect the rights and liabilities of the insured or the Insurance Company respectively, under or in connection with this policy or any term, provision or condition thereof.

Place :

Date :

Yours faithfully,

No.

Forwarded, the receipt of the letter may kindly be acknowledged. It is also requested that the undersigned may kindly be informed wherever any claim is paid under the policy and also if the premium is not paid regularly for renewal.

Annexure-I

Coal Mines Authority Limited's Office Memorandum No. CMA : APEX : AD (P) : PURCHASE CONVEYANCE : 20, dated 9th October, 1974.

Where advance has already been given the following clarifications to rule 11 of CMAL rules for the grant of advance for purchase of a Motor Car/Motor Cycle/Scooter are furnished.

1. The rate of interest to be charged on the advance should be determined with reference to the date of drawal. If in any particular case any 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.
2. The total interest should be calculated on the diminishing balances.
3. The number of the instalments for the recovery of the interest will be arrived at by dividing the amount of total interest by the amount in as instalment for the repayment of the principal.

Annexure - II

Sub : Amendement to Conveyance Advance Rules

Coal India Limited's Office Memorandum No. C-5A/50721, dated 7th January, 1977.

The Board of Directors of Coal India Limited have approved the charging of interest on the loan and advances granted for purchase of Conveyance (Motor Car, Motor Cycle & Scooter) at the rates applicable to the government employees from time to time. Para 1 of Rules 11 of the Ex-Coal Mines Authority Limited Conveyance Advance Rules is, therefore, substituted by the following :

"The interest on loans and advance for purchase of a Conveyance (i.e. Motor Car, Motor Cycle & Scooter) to the Company Officer will be charged at the rates applicable to the Govt. employees from time to time."

This will be effective from the financial year 1976-77.

OFFICE MEMORANDUM**Sub : Amendment of Conveyance Advance Rules**

CIL Board at its 103rd Meeting held on 23rd August, 1989 has decided that a new Sub-rule 2(iv) may be added in Rule 2 of the conveyance advance Rules as under :

"An advance to a maximum of Rs. 10,000/- may be sanctioned for booking a Maruti Car. The recovery will be made in not more than 25 equal monthly instalments.

The advance for booking the vehicle plus the advance for purchase of vehicle will be within the limit of the Conveyance advance Rules under Sub-rule (i) above."

The prescribed formalities for grant of conveyance advance shall be equally applicable in this case.

This will be effective from the date of issue.

OFFICE MEMORANDUM**Sub : Amendment of Conveyance Advance Rules - Enhancement of Conveyance Advance.**

The CIL Board at its 104th meeting held on 27.9.1989 has approved the enhancement of Conveyance Advance admissible to the executives of Coal India Ltd. and its subsidiary companies. In partial modification of CIL's O.M. No. C-5A(vi)/50721/1/216, dated 23.8.1985, Rule 2 of the Conveyance Advance Rules of CIL shall, therefore, be substituted by the following :

Rule 2

	Maximum Advance	Mode of Recovery
(i) Motor Car	Rs. 80,000/- or price of the car or 20 months' pay of the executive whichever is the least.	In not more than 100 equal monthly instalments.
(ii) Motor Cycle/ Scooter/Moped	Rs.8,000/- or the price of the Motor Cycle/Scooter or six months' pay of the executive whichever is the least.	In not more than 72 monthly equal instalment.

This will take immediate effect.

Ref. No. BCCL/EE/89/36187 (A)

Dated : 10/16th , 11. 1989