

GOVERNMENT OF PUDUCHERRY
Directorate of Accounts and Treasuries,
Puducherry

No. DAT/D&A/U-III/2018-19/2868

Puducherry, dt. 30 - 11 - 2018

CIRCULAR

Sub: DAT-D&A- Recovery of Principal and Interest amount against the MCA/PCA/HBA drawn by the Government Servants-Issue of Clearance Certificate in respect of MCA, PCA and HBA-Instruction-Issued

It has been brought to the notice of the undersigned that in spite of the instructions contained in the Circular No. DAT/D&A/U III/2005-06/482, dated 22-08-2005 of this Directorate and the conditions stipulated in the sanction on commencement of recovery of Principal amount of MCA/PCA/HBA drawn by the officials (through DDO Concerned prior to ECS Payment) some of the DDO's of various Departments/Officers have not complied with the same and made request for the waiver of Penal Interest without valid reason/ grounds under the following circumstances:-

- (i) Non recovery of Principal with the first issue of pay/leave salary or subsistence allowance as the case may be after the advance is drawn through the DDO prior to ECS payment or credit of advance to the bank Account of the loanees concerned through ECS payment.
- (ii) Non recovery of interest after the complete repayment of the advance amount i.e., from the subsequent month of completion of advance.
- (iii) Non recovery on Principal or interest as the case may be is made without any break up or gap between one installment and subsequent installment until repayment is fully completed.

2. Further, some of the D.D.O's have sought for Clearance Certificate without Calculation of interest /Penal interest amount by adopting the formula already communicated thereon which leads to great hardship to this Directorate to dispose such proposal well in time.

3. Moreover, this Directorate is receiving requests from some of the Departments for the issue of Clearance Certificate at the Eleventh hour and even after the retirement of the officials concerned which leads to hardship to the individual loanees.

4. Therefore, it is reiterated to comply with the following guidelines/instructions on the recovery of Principal/Interest against MCA/PCA drawn by the individual loanee.

(i) The recovery of Principal amount should be commenced with the first issue of Pay/Leave salary or subsistence allowance as the case may be after the advance is credited to the Bank A/c of the Loanee through ECS. Such recovery should be made each and every month without any breakup between one installment and subsequent installment to avoid penal interest.

(ii) The recovery of interest amount should be commenced from the subsequent month of completion of repayment of the advance by adopting appropriate formula communicated earlier.

(iii) If there is any irregularity in repayment of Principal or interest or if the conditions stipulated to the sanction are not fulfilled to the satisfaction of the competent authority 2.5% of penal interest should be imposed above the prescribed rate of interest by adopting the appropriate formula depending on the circumstances arose on such irregularity in repayment of Principal or interest.

(iv) The Head of Offices/D.D.O's should moot out the proposal for clearance certificate soon after the recovery of completion of Advance and interest accrued thereon without delay. It may be noted that delay in getting Clearance Certificate on the part of the Head of Office will lead to delayed settlement/Pension benefits, for want of Clearance Certificate on the superannuation/retirement government servants.

(v) It is clarified that the Heads of Offices/DDO's should ensure that the PBR, BDR and BTR and other relevant records in which entries on recoveries of Principal and interest are made should be preserved for submission of the same to this Directorate, if necessary for verification.

5. Further, it is requested to ensure that the entries on availing of MCA/PCA/HBA by the individual concerned and Clearance of such Advances with Interest are made in the Service Books of such loanees in order to avoid repeated requests of such Clearance Certificate for particular individual and hardships to them at the time of retirement.


(P. RAMANI)
DIRECTOR

To
All the Heads of Department/Offices.
Puducherry/Karaikal/Mahe/Yanam.

Copy to:

✓ The Programmer, DAT, Puducherry – (with a request to upload this circular in the DAT's Website)

GOVERNMENT OF PONDICHERRY
DIRECTORATE OF ACCOUNTS AND TREASURIES

No. DAT/D&A/III/2005-06/482

Pondicherry, dt.22-8-2005

CIRCULAR

Sub: DAT – D&A – Calculation of Interest for Motor Conveyance Advance
and Personal Computer Advance – Instructions Reg.

It is brought to the notice of the undersigned that while calculating the interest for the Motor Conveyance Advance and Personal Computer Advance the D.D.O.s are not adopting the correct formula and thereby in many cases the interest recovered from the loanees are shorter than that of the actual interest. Now as per the Finance Department Circular No. 26021/2/202/F1(A) dt. 25.4.2005, if any irregularity is noticed in the repayment of principal and interest 2.5% above the prescribed rate of interest has to be levied. The shortage in interest calculation will lead to the payment of 2.5% above the prescribed rate of interest by the individual.

Hence in order to avoid the same the D.D.O. s are requested to adopt the following formulae while calculating interest:

- (a) If the repayment is regular and the principal amount is equal from first instalment to last instalment

$$\text{Interest} = \frac{n(n+1)}{2} \times \frac{x}{12} \times \frac{R}{100}$$

(n= Number of instalment, x = amount of each instalment of payment, R = Rate of interest)

- (b) If Portion of principal is paid in equal monthly instalments and balance is paid in monthly instalment or if the last instalment varies from the other insalments.

$$\text{Interest} = \frac{n}{2} \times \frac{(a+L)}{100} \times \frac{R}{12}$$

(n= Number of instalment, a = amount of advance, L = Lumpsum payment (or) Last varied Instalment R = Rate of interest)

NOTE:- Clarification for "n" in case of Chalan payment:

If any amount is paid by chalan in the month in which pay bill recovery is effected the no. of instalment should be taken as that mentioned in the pay bill recovery. If the chalan payment is made in the subsequent month in which the pay bill recovery is effected one number of instalment should be added to the instalment number recovered in the pay bill for that chalan payment.

- (c) If Repayment is not regular :

$$\text{Interest} = \frac{\text{Total Interest Bearing Balance}}{12} \times \frac{R}{100}$$

Therefore the D.D.O. are hereby instructed to adopt the correct formula for calculating the interest amount for the long term advances like Motor Conveyance Advance and Personal Computer Advance etc. to avoid hardship to the individual loanees.

Further it is once again reiterated that as soon as the recovery of long term advances are completed the Head of Office /DDOs should moot out the proposal for clearance certificates.

More over in the utilization certificates issued for the Motor Conveyance Advance and Personal Computer Advance and the insurance certificates issued for the House building advance the Account numbers allotted to the individual loanees should be quoted invariably.

A. Arunachalam
(A. ARUNACHALAM)

DIRECTOR

22/8/05

To

All Heads of Offices/DDOs.