

LOANS AND ADVANCES BILLS

In respect of loans and advances to public sector undertakings, autonomous bodies etc., the sanctions should be examined and the reasons for any unusual conditions included therein, if any e.g., remission of interest in an individual case, should be enquired. It has to be seen that the conditions of repayment of loans and advances are complied with by the debtor and the Pay and Accounts Office should exercise a close watch over repayment of principal and realisation of interest. In reviewing the outstanding loans and advances, special attention should be directed to irregularities in payments, acknowledgement of balances and unrealizable and doubtful assets. During the pre-check of a loan or advance bill, it should be seen that:-

- (a) The amount claimed is in accordance with the sanction order, and
- (b) The conditions to be fulfilled before payment, if any, are actually fulfilled and a certificate to that effect is recorded on the bill. For watching the recovery of loans, Loan Register(s) are to be maintained in Form CAM – 29.

The responsibility for calculation of interest on interest bearing advances, recoverable from the loanee Government servant will be that of the head of office/drawing and disbursing officer both for gazetted and non-gazetted Government servants. The heads of offices would, however, be responsible for obtaining mortgage bonds and agreements and ensuring that necessary insurance, as required under the rules, is effected.

Pay and Accounts Officers will be responsible for (a) checking the correctness of the interest recovered by the drawing and disbursing officer, and (b) confirmation of the correctness of the balances as shown in the recovery schedules and pointing out discrepancy, if any, to the concerned drawing and disbursing officer.

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Long term advances to government servants i.e. Advances recoverable in not less than 60 monthly instalments

Advances drawn must be checked in full. It should be seen:-

- (i) That every advance has been sanctioned by competent authority in accordance with the rules governing it;
- (ii) That the amount drawn does not exceed the amount sanctioned and permissible under the rules;
- (iii) That it is properly recorded;
- (iv) That repayments are regularly made as required by rules and are duly accounted for in the books of the Pay & Accounts office;
- (v) That the balance outstanding at the close of each financial year is communicated to and accepted by the Government servant. For this purpose, a statement of outstanding balances should be furnished to the D.D.O. concerned with the observation that non-receipt of any comments within two months would be treated as acceptance of balance by the D.D.O./Govt. servant concerned;
- (vi) That in case the repayment of the advance is neglected and/or irregular the matter is reported to the sanctioning authority; and
- (vii) That the certificates regarding availability of funds have been issued by the competent authority before issue of sanction and incorporated therein.

The recovery of the advances should commence with the first issue of pay, leave salary or subsistence allowance as the case may be after the advance is drawn (Rule 24 of Compendium of Rules on Advances).

It should be ensured that a certificate signed by the sanctioning authority to the effect that agreement in Form II or Form III of Compendium of Rules on Advances, as the case may be has been signed by the Government servant drawing

the advance and that it has been examined and found to be in order, is attached to the bill for drawal of Mptor Car Advance.

The H.B.A. Rules shall govern the grant of House Building Advance.

For watching the recoveries of these advances a Register and Broadsheet of Advances for HB/MC/and Interest thereon, should be maintained by the P.A.O. in Form CAM-30. Separate pages should be allotted to record advances sanctioned to Government servants in various offices. All the recoveries effected from establishment bills should be noted based on the schedule of recoveries in the respective pages of the broadsheet which should be totalled every month and agreed with the ledger figures in the Compilation Section. Any discrepancy between these two sets of figures should be noted and analyzed on separate pages set apart at the end of the register, to watch that they are eventually resolved and reconciled. This monthly verification indicating progressive differences and their reconciliation shall be submitted to the PAO every month by 20th of the second succeeding month. An example illustrating the manner in which recoveries of HBAMCA are to be posted in the respective Broadsheet and calculation of interest thereon, is given in Appendix.