

# **The Orissa Ministers' Motor Car Advance Rules, 1967**

ODISHA

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## **The Orissa Ministers' Motor Car Advance Rules, 1967**

### **Rule**

### **THE-ORISSA-MINISTERS-MOTOR-CAR-ADVANCE-RULES-1967 of 1967**

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The Orissa Ministers' Motor Car Advance Rules, 1967Published vide Notification No. 21137-Gen., dated 31st October, 1967, Orissa Gazette Part 3/17.11.1967Notification No. 21137-Gen., dated 31st October, 1967. - In exercise of the powers conferred by Sub-section (1) of Section 10 of the Orissa Ministers' Salaries and Allowances Act, 1952 (Orissa Act 20 of 1952), the State Government hereby make the following rules, namely :

#### **1. Short title.**

- These rules may be called the Orissa Ministers' Motor Car Advance Rules, 1967.

#### **2. Commencement.**

- They shall come into force at once.

#### **3. Definitions.**

- In these rules unless the context otherwise requires-(i)"Act" means the Orissa Ministers' Salaries and Allowances Act, 1952;(ii)"advance" means, repayable advance made to a Minister for the purchase of a motor car;(iii)"Form" means a Form appended to these rules;(iv)words and expressions used but not defined herein shall have the same meanings respectively assigned to them in the Act.

#### **4. Advance when admissible.**

- A Minister may, subject to the conditions hereinafter specified, be paid an advance for the purchase of a motor car in India in order that he may be able to discharge conveniently and efficiently the duties of his office.

#### **5. Maximum amount of advance.**

- The amount which may be advanced to a Minister for the purchase of a motor car shall not exceed [rupees one lakh] [Substituted vide SRO No. 757/98-Orissa Gazette Extraordinary No. 1563 dated 30.11.1998.] in the first instance and rupees seventy thousand in second and subsequent instances on the actual price of the motor car to be purchased, whichever is less. Explanation. - "Actual price" excludes the cost of insurance of the motor car, the cost of transport from the place of purchase and the cost of subsequent repairs.

#### **6. Repayment of advance.**

(1) Recovery of the advance granted under these rules together with the interest thereon shall be made from the salary of the Minister concerned. The principal amount of the advance shall be recovered in not more than sixty consecutive monthly instalments the first of which shall be deducted from the salary of the month in which the advance was drawn. The State Government may - however, permit recovery to be made in a smaller number of instalments if the Minister receiving the advance so desires. The advance shall bear interest at the same rate as in the case of advances for the purchase of conveyances made to the Government servants. The amount of interest calculated shall be recovered in one or more instalments, each such instalment being not appreciably greater than the instalment by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid. Explanation. - The amount to be recovered monthly shall be fixed in whole rupees, except in the case of the last instalment. (2) In case of a Minister to whom advance has been paid ceases to hold the office before the advance is fully repaid, the outstanding balance together with the interest thereon shall be payable to the State Government immediately thereafter in one instalment.

#### **7. Sale of motor car.**

(1) No motor car for the purchase of which an advance has been granted under these rules shall, at any time before the repayment of the advance together with the interest due thereon, be sold without the previous sanction of the Governor. (2) If the motor car is sold before the advance together with the interest thereon has been fully repaid, the sale proceeds shall be applied, so far as may be necessary, towards the repayment to such outstanding balance : Provided that when the motor car is sold only in order that another motor car may be purchased, the Governor may permit the Minister to apply the sale proceeds towards such purchase, subject to the following conditions, namely : (a) The amount outstanding shall not exceed the cost of the car so purchased; (b) The amount outstanding shall continue to be recovered at the rate previously fixed; and (c) The car so purchased

shall be insured and mortgaged in favour of the Government as required by these rules.(3)In cases where the Minister who has received the advance desires to sell the motor car to another Minister he may be permitted to do so by the Governor; provided the purchasing Minister gives a declaration in writing to the effect that he shall be bound by the terms and conditions of the mortgage bond executed in favour of the Government in respect of the motor car.

## **8. Period within which negotiation for purchase of car may be completed.**

- A Minister who draws as advance in India or the purchase of a motor car shall complete negotiations for the purchase of, and make final payment for the motor car, within one month of the date on which he draws the advance, failing which the full amount of the advance drawn, with interest thereon for one month, shall be refunded to Government.

## **9. Execution of agreement.**

(1)At the time of drawing the advance, the Minister shall execute an agreement in Form I and on completing the purchase, he shall further execute a mortgage bond in Form II hypothecating the motor car to the Governor of Orissa as security for the advance.(2)The agreement executed by the Minister shall be presented at the treasury along with the bill for drawing the advance. The Treasury Officer shall scrutinise the agreement before payment is made and after the payment is made shall transmit the same to the Finance Department of the Government. The Treasury Officer shall also record on the bill a certificate to the following effect:"Certified that the requisite agreement has been executed in the proper form and presented before me with the bill and I have transmitted the same to the Finance Department of the Government".(3)The Treasury Officer shall intimate the date on which the advance was drawn, to the Finance Department of the Government. The sanctioning authority shall then furnish to the Accountant-General, Orissa a certificate that the agreement in Form I has been signed by the Minister drawing the advance and that it has been examined and found to be in order.(4)The mortgage bond in Form II shall be executed within one month from the date of receipt of the advance and submitted to the Finance Department for transmission to the Accountant-General, Orissa, who after necessary check, shall send it to the Inspector-General of Registration, Orissa for safe custody. When the advance has been fully repaid, the mortgage bond shall be duly cancelled and returned to the Minister concerned, after obtaining a certificate from the Accountant-General, Orissa as to the complete repayment of the advance and the interest accrued thereon.(5)The order sanctioning and advance shall remain valid for only six months from the date of issue.

## **10. Insurance of motor car.**

(1)The motor car purchased with the advance shall be fully insured against loss by fire, theft or accident. Insurance on owner-driven or other smaller qualified terms is not sufficient for the purpose of this rule. Insurance policies at the reduced rate of premium shall, however, be accepted as adequate in cases where-(a)the owner of the car undertakes to meet the first Rs. 100 or so of a claim preferred against an Insurance Company in the event of an accident, or(b)the motor car is got insured against accident for any season of the year during which it is not in use but is stored in

garage.(2)Such insurance shall be effected within one month from the date of purchase of the motor car.(3)A clause as in Form III shall be inserted in all policies of insurance in respect of the motor car purchased by the Minister with the help of advance taken from Government, under these rules. The Minister taking advance for purchase of motor car shall disclose to the insurer the fact of the motor car having been purchased with the help of such advance and also have the aforesaid clause inserted in the policy of insurance of the said motor car. The motor car shall in no case be insured with any Insurance Company if it does not agree to include the clause in the policy.(4)On receipt of the certificate prescribed in Rule 9 the Accountant-General, Orissa shall obtain from the Minister, drawing the advance a letter in Form IV to the Motor Insurance Company, with whom the motor car is insured to notify to them the fact that the Government are interested in the insurance policy secured. He shall himself forward this letter to the company and obtain their acknowledgement in the case of insurances effected on annual basis, the process prescribed above shall be repeated every year until the advance has been fully repaid.(5)If the motor car purchased has not been insured within the prescribed period or has not been reinsured before the expiry of the period of policy, the Accountant-General, Orissa shall call upon the Minister either to refund the outstanding balance at once or to produce evidence of insurance or reinsurance, as the case may be, within ten days of receipt of the notice served in that behalf by the Accountant-General, Orissa. The amount for which the car is insured during any period shall not be less than the balance of the advance together with the interest outstanding at the beginning of that period and the insurance shall be renewed from time to time until the amount due is completely repaid. If, at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance together with the interest, the Minister shall refund the difference to Government. The amount to be refunded shall be recovered in not more than 3 monthly instalments.

## 11. Repeal and saving.

(1)All rules and orders in force immediately before the commencement of these rules in so far as they relate to matters provided for in these rules are hereby repealed.(2)Notwithstanding such repeal claims in respect of advances granted prior to the commencement of these rules shall be disposed of under these rules.

Form I[See Rule 9]Form of agreement to be executed before drawing an advance for the purchase of a motor car

An agreement made on ..... day of..... one Two thousand and.....between Shri..... (hereinafter called the Borrower) which expression shall include his heirs, administrators, executors and legal representative) of the one part; and the Governor of Orissa (hereinafter called the Governor which expression shall include his successors and assignees) of the other part;Whereas the borrower has under the provision of the Orissa Ministers' Motor Car Advance Rules (hereinafter referred to as the said rules which expression shall include any amendment thereof for the time being in force) applied to the Governor for a loan of Rs.....for the purchase of motor car;And whereas the Governor has agreed to lend the said amount to the borrower on the terms and conditions hereinafter contained;Now it is hereby agreed between the parties hereto that in consideration of the sum of rupees.....to be paid by the Governor to the borrower, the borrower thereby agrees with the Governor (1) to pay to the Governor the said amount with interest calculated according to the said rules by monthly deductions from his salary as provided for in the said rules and hereby authorises the Governor to make such deductions, and (2) within one month from the date of payment of the said sum to expend the full

amount of the said loan in the purchase of a motor car or if the actual price paid is less than the loan to repay the difference to the Governor forthwith, and (3) to execute a document hypothecating the said motor car to the Governor as security for the amount to be lent to the borrower as aforesaid and interest in the form provided by the said rules; And it is hereby lastly agreed and declared that if the motor car has not been purchased and hypothecated as aforesaid within one month from the date of payment of the said sum or if the borrower within that period becomes insolvent or ceases to hold the office or dies the whole amount of the loan and interest accrued thereon shall immediately become due and payable. In witness whereof the mortgagor/borrower has hereunto set his hand and Shri.....Treasury Officer/Sub-Treasury Officer, Government of Orissa, for and on behalf of the Government of Orissa, has hereunto set his hand on the dates specified under their respective signatures. Signature and designation of the borrower

In the presence of- } (1)

Witnesses and address (2)

In the presence of- } (1)

Witnesses and address (2)

Signature and designation of the Officer acting in the Premises for and on behalf of the Governor Form II [See Rule 9] From of Mortgage Bond for motor car advance This Indenture made this.....day of.....two thousand and.....between Shri.....(hereinafter called "the borrower") of the one part ; and the Governor of Orissa of the other part; Whereas the borrower has applied/applied for and has been granted an advance of rupees to purchase a motor car/cycle on the terms of the Orissa Ministers' Motor Car Advance Rules, 1967 (hereinafter referred to as "the said rules" which expression shall include any amendment thereof or addition thereto for the time being in force); And whereas one of the conditions upon which the said advance has been/was granted to the borrower is/was that the borrower will/ would hypothecate the said motor car to the Governor of Orissa as security for the amount lent to the borrower; And whereas the borrower has purchased with or partly with the amount so advanced as aforesaid the motor car particulars whereof are set out in the Schedule hereunder written : Now this indenture witnesseth that in pursuance of the said agreement and for the consideration aforesaid the borrower doth hereby covenant to pay to the Governor of Orissa the sum of Rs.....aforesaid or the balance thereof remaining unpaid at the date of these presents by equal payments of Rs.....each on the first day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said rules and the borrower doth agree that such payment may be recovered by monthly deductions from his salary in the manner provided by the said, rules and in further pursuance of the said agreement the borrower doth hereby assign and transfer unto the Governor of Orissa the motor car the particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said rules; And the borrower doth hereby agree and declare that he has paid in full the purchase price of the said motor car and that the same is his absolute property and that he has not pledged and so long as any money remain payable to the Governor of Orissa in respect of the said advance will not sell, pledge or part with the property in or possession of the said motor car: Provided always and it is hereby agreed and declared that in any of the said instalments of principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due or if the borrower shall die or at any time ceases to be in

office of Minister or if the borrower shall sell or pledge or part with the property in or possession of the said motor car or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgement against the borrower the whole of the said principal sum which shall then be remaining due and unpaid together with interest thereon calculated as aforesaid shall forthwith become payable and it is hereby agreed and declared that the Governor of Orissa may on the happening on any of the event hereinbefore mentioned seize and take possession of the said motor car and either remain in possession thereof without removing the same or else may remove and sell the said motor car either by public auction or private contract and may out of the sale moneys retain the balance of the said advance the remaining unpaid and any interest due thereon calculated as aforesaid and all costs, charges, expenses and payment properly incurred or made in maintaining, defending or realising his rights hereunder and shall pay over the surplus, if any, to the borrower his executors, administrators or personal representatives :Provided further that the aforesaid power of taking possession or selling of the said motor car shall not prejudice the right of the Government of Orissa to sue the borrower or his personal representatives for the said balance remaining due and interest or in the case of the motor car being sold the amount by which the net sale-proceeds fall short of the amount owing and the borrower hereby further agrees that so long as any moneys are remaining due and owing to the Governor of Orissa, he (the borrower), will ensure and keep insured the said motor car against loss or damage by fire, theft or accident with an Insurance Company to be approved by the Accountant-General concerned and will produce evidence to the satisfaction of the Accountant-General that the Motor-Insurance Company with whom the said motor car is insured have received notice that the Governor of Orissa is interested in the policy;And the borrower hereby further agrees that he will not permit or suffer the said motor car to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof;And further that in the event of any damage or accident happening to the said motor car the borrower will forthwith have the same repaired and made good.In witness whereof the said (borrower) hath hereunto set his hand the day and the year first above-written.The ScheduleDescription of motor car.....Maker's Name.....Description.....No. of Cylinders.....Engine No.....Chasis No.....Cost Price.....In the presence of witnesses -

1.

.....

2.

.....Signature of the borrowerForm III[See Rule 10 (3)]Form of the clause to be inserted in Motor Car Insurance Policies

**1. It is hereby declared and agreed that Shri.....(the owner of the motor car hereinafter referred to as the insured in the schedule to this policy) has hypothecated the car to the Governor of Orissa as security for advances for the purchase of the motor car and it is further declared and agreed that the**

**said Governor is interested in any moneys which but for this endorsement be payable to the said Shri..... (the insured under this policy) in respect of the loss or damage to the said motor car (which loss or damage is not made good by repairs, reinstatement or replacement) and such moneys shall be paid to the Government of Orissa as long as they are mortgagee of the motor car and a receipt passed by a duly authorised officer of the Government of Orissa shall be a valid discharge to the Company in respect of such moneys.**

**2. Save as by this endorsement expressly agreed nothing shall modify or effect the rights or liabilities of the insured or the Company respectively under or in connection with the policy or any term, provision or condition thereof.**

Form IV[See Rule 10 (4)]Letter intimating to the Insurance Company, Government's interest in insurance policies in motor cars, etc.From :To(Through the Accountant-General, Orissa)Dear Sir,I beg to inform you that the Governor of Orissa is interested in the Motor Car Insurance Policy No.....secured in your Company and to request that you will kindly make a note of the fact in the records of the Company.PlaceDate.....Yours faithfullyForwarded. The receipt of the letter may kindly be acknowledged. It is also requested that the undersigned may kindly be informed whenever any claim is paid under the policy and also if the premium is not paid periodically for renewal.

Place..... Signature

Date Designation