THE MEMBERS OF PARLIAMENT (ADVANCE FOR THE PURCHASE OF CONVEYANCE) RULES, 1986

New Delhi, the 3rd January, 1986

[1]**G.S.R. 12(E).** -- The following rules which have been made by the Joint Committee constituted under sub-section (1) of section 9 of the Salary, Allowances and Pension of Members of Parliament Act, 1954 (30 of 1954), after consultation with the Central Government, in exercise of the powers conferred on it by clause (ff) of sub-section (3) of the said section, and have been approved and confirmed by the Chairman of the Council of States and the Speaker of the House of the People, as required by sub-section (4) of that section, are published for general information :--

THE MEMBERS OF PARLIAMENT (ADVANCE FOR THE PURCHASE OF CONVEYANCE) RULES, 1986

(As amended upto 13th December, 2010)

1. Short title and commencement. – (1) These rules may be called the Members of Parliament (Advance for the Purchase of Conveyance) Rules, 1986.

2. Maximum amount of advance .-- (1) The maximum amount which may be advanced to a member for the purchase of conveyance [2](shall not exceed rupees four lakhs) or the actual price of the conveyance, which is intended to be purchased, whichever is less:

Provided that no advance shall be admissible when a conveyance has already been purchased and paid for in full:

Provided further that where such payment has been made in part, the amount of advance shall be limited to the balance to be paid as certified by the member.

(2) The amount of advance under sub-rule (1) shall be sanctioned in the name of the President and authenticated in accordance with the provisions of the Authentication (Orders and other Instruments) Rules, 1958.

3. Repayment of Advance. - (1) Recovery of the advance granted under rule 2, together with interest thereon, shall be made from the salary bill of the member concerned in not more than sixty equal monthly installments, which shall not extend beyond the tenure of his membership:

Provided that where the member receiving the advance so desires, the Chairman of the Council of States or the Speaker of the House of the People, as the case may be, may permit recovery of the advance to be made in lesser number of installments.

[1] Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated the 3rd January, 1986. [2] Substituted by G.S.R. No.967(E), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated the 13th December, 2010.

Explanation. -- The amount of the advance to be recovered monthly shall be fixed in whole rupees, except in the case of last installment when the remaining balance including any fraction of a rupee shall be recovered.

(2) The recovery of advance shall commence with the first issue of salary after the advance is drawn.

(3) Simple interest at the rate fixed by the Central Government in relation to advance for purchase of conveyance by Government servants shall be charged on the said advance.

(4) Where a member ceases to be such a member before the full repayment of the advance, the outstanding balance, together with interest thereon, shall be paid to the Central Government immediately in one lump-sum.

4. Sale of Conveyance. -- (1) Except when a member ceases to be such a member, previous sanction of the Central Government shall be obtained for the sale by the member of the

conveyance purchased with the aid of an advance, if such advance, together with the interest accrued thereon, has not been fully repaid.

(2) Where a member wishes to transfer the said conveyance to another member, he may be permitted under the orders of the Central Government, to transfer the liability attaching to that conveyance to the latter member provided that the member purchasing the conveyance records a declaration that he is aware that the conveyance transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(3) In all cases where a conveyance is sold before the advance received for its purchase, together with interest thereon, has been fully repaid, the sale-proceeds must be applied, so far as may be necessary, towards the repayment of such outstanding balance:

Provided that when the conveyance is sold only in order that another conveyance may be purchased, the Central Government may permit the member to apply the sale proceeds towards such purchase, subject to the following conditions, namely :--

(a) the amount outstanding shall not be permitted to exceed the cost of the new conveyance;

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

(c) the new conveyance shall also be insured and mortgaged to the Central Government.

5. Period within which negotiations for purchase of conveyance may be completed. – A member who draws an advance for the purchase of a conveyance shall complete his negotiations for the purchase of and pay finally for, the conveyance within one month of the date on which he draws the advance and failing such completion of negotiations and final payment, the full amount of the advance drawn, together with the interest thereon for one month, shall be refunded by the member to the Central Government.

6. Execution of agreement. -- (1) At the time of drawing the advance, the member shall execute an agreement in

Form I and on completing the purchase, he shall further execute a mortgage bond in Form II hypothecating the conveyance to the Central Government as security for the advance.

(2) The cost price of the conveyance shall be entered in the schedule of specifications attached to the mortgage bond in

7. Certificate to the Pay and Accounts Officer. -- (1) When an advance is drawn, the sanctioning authority shall furnish to the Pay and Accounts Officers of the Council of States or, as the case may be, of the House of the People, a certificate that the Agreement in

Form I has been signed by the member drawing the advance and that it has been found to be in order.

(2) The sanctioning authority shall see that the conveyance is purchased within one month from the date on which the advance is drawn and shall submit the mortgage bond, duly executed by the member, promptly to the Pay and Accounts Officer of the Council of States, or, as the case may be, of the House of the People for examination before final record.

8. Safe custody and cancellation of mortgage bond. – (1) The mortgage bond shall be kept in the safe custody of the sanctioning authority.

(2) When the advance has been fully repaid, the bond shall be returned to the member concerned, duly cancelled, after obtaining a certificate from the Pay and Accounts Officer of the Council of States or, as the case may be, of the House of the People, as to the complete repayment of the advance and interest.

9. Insurance of conveyance.– The conveyance purchased from the advance shall be insured against full loss by fire, theft and accident and the insurance policy shall contain a clause (as in

Form III) by which the insurance company agrees to pay to the Central Government instead of the owner, any sums payable in respect of loss or damage to the conveyance, which is not made good by repair, re-instatement or replacement.

***FORM I**

(See rule 6)

FORM OF AGREEMENT TO BE EXECUTED AT THE TIME OF DRAWING AN ADVANCE FOR THE PURCHASE OF A CONVEYANCE

An agreement made this _____day of _____two thousand and _____ between Shri_____

a Member of Parliament (hereinafter called the Borrower, which expression shall include his heirs, administrators, executors, legal representatives and assignees) of the one part and the President of India (hereinafter called the Central Government) of the other Part.

WHEREAS the Borrower has under the provisions of the Rules regulating the grant of advances to Members of Parliament for purchase of conveyance made under the Salary, Allowances and Pension of Members of Parliament Act, 1954 applied to the Central Government for a loan of Rs._____ (Rupees _____only) for the purchase of a conveyance and the Central Government have agreed to lend the said amount of the Borrower on the terms and conditions herein after contained;

NOW it is hereby agreed between the parties hereto that in consideration of the sum of Rs._____ paid by the Central Government to Borrower (the receipt of which the Borrower hereby acknowledge (s)], the Borrower hereby agrees with the Central Government (1) to pay to the Central Government the said amount with interest calculated according to the said rules by monthly deductions from his salary as provided for by the said rules and hereby authorises the Central Government to make such deductions and (2)to expend within one month from the date of these presents, the full amount of the said loan in the purchase of a conveyance or if the actual price paid is less than the loan to repay the difference to the Central Government forthwith and to execute a document hypothecating the said conveyance to the Central Government as security for the amount lent to the Borrower as aforesaid and interest thereon in the form provided by the said rules. And it is hereby lastly agreed and declared that if the conveyance has not been purchased and hypothecated as aforesaid with one month from the date of theses presents or if the Borrower with that period becomes insolvent or ceases to be a member or dies, the whole amount of the loan and interest accrued thereon shall become due and payable.

In witness whereof the Borrower has hereunto set his hand the day and year first before written.

Signed by the said Shri_____

In the presence of_____

* Inserted by G.S.R. 12 (E), Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 3rd January, 1986.

***FORM II**

(See rule 6)

FORM OF MORTGAGE BOND FOR CONVEYANCE

THIS INDENTURE made this _____ day of _____two thousand and _____between Shri _____ (hereinafter called "the Borrower", which expression shall include his heirs, administrators, executors, legal representatives and assignees) of the one part and the President of India (herein after called, Central Government) of the other part, WHEREAS the Borrower has applied for and

has been granted and advance of Rupees_____ to purchase a conveyance in terms of Rules regarding the grant of advances to Members of Parliament for the purchase of conveyance made under the Salary, Allowances and Pension of Members of Parliament Act, 1954 (hereinafter referred to as "the said Rules") 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 conveyance to the Central Government 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 conveyance particulars whereof are set out in Schedule hereunder written.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and for the consideration aforesaid the Borrower doth hereby convenient to pay to the Central Government the sum of Rs._____ aforesaid or the balance thereof remaining unpaid at the date of these presents by equal payment 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 payments 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 Central Government the conveyance the particulars whereof are set out in the Schedule here under 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 conveyance and that the same is his absolute property and that he has not pledged and, so long as any money remains payable to the Central Government in respect of the said advance, will not sell, pledge or part with the property in, or possession of the said conveyance. Provided always and it is hereby agreed and declared that if any of the said installments 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 a Member or if the Borrower shall sell or pledge or part with the property in or possession of the said conveyance 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

* Inserted by G.S.R. 12 (E), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section(i), dated the 3rd January, 1986.

payable AND IT IS HEREBY AGREED and declared that the Central Government may on the happening of any of the events herein before mentioned seize and take possession of the said conveyance and either remain in position thereof without removing the same or else may remove and sell the said conveyance either by public auction or private contract and may out of the sale money retain the balance of the said advance then remaining unpaid and any interest due thereon, calculated as aforesaid and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realizing its 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 said conveyance shall not prejudice the right of the Central Government to sue the Borrower or his personal representatives for the said balance remaining due and interest or in the case of the conveyance 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 Central Government he, the Borrower will insure and keep insured the said conveyance against loss or damage by fire,

theft, and 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 vehicle is insured have received notice that the Central Government (President of India) is interested in the Policy AND the Borrower hereby further agrees that he will not permit or suffer the said conveyance to be destroyed or damaged 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 conveyance, the Borrower will forthwith have the same repaired and made good.

SCHEDULE

Description of Conveyance
Maker's name
Description
No. of cylinders
Engine Number
Chasis No.
Cost Price

IN WITNESS Whereof the said_____Borrower's name and_____ for and on behalf of the President of India have hereunto set their respective hands the day and year first above, written.

Signed by the said in the presence of:
1. _____ 2.
_____
(Signature of Witnesses)

……
(Signature and Designation of the Borrower)

Signed by (Name and Designation)
……...
for and on behalf of the President of India
in the presence of :
1. _____
2. _____
(Signature of Witnesses)

……
(Signature and Designation of the Officer).

Name and designation of the Borrower……

*FORM III
(See rule 9)

FORM OF THE CLAUSE TO BE INSERTED IN INSURANCE POLICIES

1. It is hereby declared and agreed that Shri_____(the owner of the conveyance hereinafter referred to as the insured in the Schedule to this policy) has hypothecated the conveyance to the Central Government (President of India) as security for advance for the purchase of the conveyance and it is further declared and agreed that the said Government (President) are 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 conveyance (which loss or damage is not made good by repair, reinstatement or replacement) and such moneys shall be paid to the said Government (President) as long as they are the mortgages of the conveyance and their receipt shall be full and final discharge to the company in respect of such loss or damage.

2. Save as by this endorsement expressly agreed, nothing herein shall modify or affect the rights or liabilities of the insured or the company respectively under or in connections with this policy or any term, provision or condition thereof.

[F.No.2/1/MSA/85]

Secretary-General.

* Inserted by G.S.R. 12 (E) Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated the 3rd January, 1986.