MEMBERS OF THE KERALA LEGISLATIVE ASSEMBLY (ADVANCE FOR THE PURCHASE OF VEHICLE) RULES, 2012

[Issued in G.O. (Ms) No.9/12/PAD. dated 18.06.2012 (S.R.O. No.456/2012)]
{As amended vide G.O. (Ms) No.18/12/PAD dated 05.09.2012 (S.R.O. No.626/2012, G.O. (Ms) No.1/16/PAD dated 05.03.2016 (S.R.O. No.284/2016) and G.O. (M.S) No.7/2017/PAD dated 10.08.2017 (S.R.O. No.514/2017)}

RULES

1. *Short title and commencement.*—(1) These rules may be called the Members of the Kerala Legislative Assembly (Advance for the Purchase of Vehicle) Rules, 2012.

(2) They shall come into force at once.

2. *Definitions.*-(1) In these rules, unless the context otherwise requires,

(a) "Act" means the Payment of Salaries and Allowances Act, 1951(XIV of 1951);

(b) "advance" means an advance sanctioned to a member for the purchase of vehicle under section 8B of the Act;

(c) "Assembly" means the Kerala Legislative Assembly;

(d) "borrower" means a member to whom the advance is disbursed under these rules;

(e) "Form" means form appended to these rules;

(f) "Member" means a member of the Kerala Legislative Assembly including the Speaker, the Deputy Speaker, the Leader of Opposition, the Chief Whip and the Ministers;

(g) "sanctioning authority" means the “Government” in the case of Ministers, Chief Whip and the Leader of Opposition and “the Secretary of the Kerala Legislative Assembly” in the case of all other Members of Legislative Assembly including Speaker and Deputy Speaker.” (h) "Secretary" means the Secretary of the Kerala Legislative Assembly;

(i) "vehicle" means a motor vehicle which a member may ordinarily uses for his conveyance and includes a car, jeep, van, thri-wheeler, motor cycle, scooter or an alike vehicle/such vehicles.

(2) words and expressions used but not defined in these rules shall have the same meanings respectively assigned to them in the Act.

3. *Admissibility of Advance*.-(1) A member may, subject to the terms and conditions hereinafter specified be sanctioned with an interest free advance for the purchase of a vehicle so as to enable him to discharge his duties conveniently and efficiently.

(2) The advance may also be sanctioned for the final settlement of a loan or advance already availed for the purchase of a vehicle by the member from any source other than admissible under these rules and the vehicle has since been purchased.

Provided that such advance shall be sanctioned to a member only once in one Assembly tenure.

4. *Maximum amount of advance.*-(1) The maximum amount which may be advanced to a member for the purchase of vehicle shall not exceed rupee ten lakhs or the actual price of the vehicle, intended to be purchased, whichever is less:

Provided that no advance shall be admissible in case a vehicle 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 Governor by the Sanctioning authority.

5. *Application form, sanction and drawal of Advance.*—A member who desires to avail the advance shall submit an application in

Form I to the Sanctioning authority. The Sanctioning authority on proper verification of the application and after obtaining approval from the Speaker shall sanction the amount of advance to the member concerned subject to the availability of fund in the Head of Account being operated for the purpose.

(2) the amount of advance may be drawn by the member concerned through a bill signed by him and duly countersigned by the sanctioning authority with a copy of the order sanctioning the advance.

6. *Period within which negotiations for purchase of conveyance may be completed.*— A member who draws an advance for the purchase of a vehicle shall complete his negotiations for the purchase of, and pay finally for, the vehicle 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 shall be refunded by the member to the State Government immediately.

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

(2) On completion of purchase of the vehicle, he/she shall further execute a mortgage bond in

Form III hypothecating the vehicle to the State Government as security for the advance. The cost price of the vehicle shall be entered in the schedule of specifications attached to the mortgage bond in Form III.

(3) The monthly allowance due to the borrower for the months subsequent to the month of drawing the advance shall be delayed to pay until he executes the agreement and the mortgage bond under sub-rule (1) and (2).

(4) One copy each of the Certificate of Registration and Insurance Certificate both attested by a Gazetted officer shall be attached along with the mortgage bond to be executed under sub-rule (2).

8. *Repayment of Advance*.—(1) Repayment of the advance drawn under rule 5 shall be made by deduction from the bill claiming the monthly allowances of the member concerned in not 'more than sixty monthly instalments, which shall not extend beyond the tenure of his membership:

Provided that where the member receiving the advance so desires, the sanctioning authority may permit to refund the advance to be made in lesser number of installments.

Explanation.—The amount of repayment of advance to be remitted monthly shall be fixed in equal installments, except in the case of last installment, where the remaining balance amount shall be remitted.

(2) The repayment of advance shall commence from the next month of the month in which the advance is drawn.

(3) Where, a member ceases to be such member before the full repayment of the advance, the outstanding balance shall be paid either in lump sum by cash or by deduction from the allowances admissible or by both or from pensionery benefits.

9. *Safe custody and cancellation of mortgage.*-(1) The mortgage bond executed under the rule 7 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 Secretary, Kerala Legislative Assembly as to the complete repayment of the advance.

10. *Certificate of the Accountant General*.—(1) When an advance is drawn, the sanctioning authority shall furnish to the Accountant General, Kerala, a certificate stating that the agreement in

Form II has been signed by the member drawing the advance.

(2) The sanctioning authority shall see that the vehicle is purchased within one month from the date in which the advance is drawn and the mortgage bond is submitted duly executed by the member.

11. *Insurance of conveyance.*— The vehicle purchased utilising the advance shall be insured against full loss by fire, theft and accident and the insurance policy shall contain a clause (as in

Form IV) by which the insurance company agrees to pay to the State Government instead of the owner any sums payable in respect of loss or damage to the vehicle, which is not made good by repair, reinstatement or replacement.

12. *Sale of vehicle.*—(1) Except when a member ceases to be such a member, previous sanction of the Sanctioning authority shall be obtained for the sale by the member of the vehicle purchased with the advance drawn under rule 5, if such advance has not been fully repaid.

(2) Where a member wishes to transfer the said vehicle to another member, he may be permitted under the orders of the Sanctioning authority, to transfer the liability attached to that vehicle to the latter member provided that the member purchasing the vehicle shall make a declaration 'to the effect that he is aware that the vehicle transferred to him remains subject to the mortgage bond and that he is bound by its terms and conditions.

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

Provided that when the vehicle is sold only for the purpose of purchasing another vehicle, the Sanctioning authority may permit the member to apply the sale proceeds towards such purchase subject to the following conditions, namely:-

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

(b) the new vehicle shall also be insured and mortgaged to the State Government.

13. *Decision of the Speaker is final.*—The decision of the Speaker on all matters covered by these rules shall be final.

FORM I

(See Rule 5)

(APPLICATION FORM FOR ADVANCE FOR THE PURCHASE OF VEHICLE)

1. Name of the Applicant (in block letters) :

2. Designation and address : 3.

Whether the applicant or spouse is registered owner of a light motor vehicle in India :

4. Anticipated price of the vehicle :

5. Amount of advance required :

6.Number of installments in which the advance is desired to be repaid :

7.Whether advance for similar purpose was obtained previously and if so, :

(i) date of drawal of the advance :

(ii) the amount of advance still outstanding, if any :

8. Name of the dealer or agency through which the vehicle is proposed to be purchased. :

9. Are any negotiations or preliminary enquiries been made so that delivery may be taken of the vehicle within one month from the date of drawal of the advance. :

(a) Certified that the information given above is complete and true.

(b) Certified that I have not taken delivery of the vehicle on account which I apply for the advance, and that I shall complete negotiation for the purchase of vehicle and pay finally and take possession the vehicle before the expiry of one month from the date of drawal of the advance.

10. I certify that I have not so far applied for or obtained any advance for purchase of a vehicle in this tenure under these rules.

Place: Signature of the Applicant

Date: Designation and Address

FORM II

[See Rule 7

(1)]

FORM OF AGREEMENT TO BE EXECUTED AT THE TIME OF DRAWING ADVANCE FOR THE PURCHASE OF VEHICLE

AN AGREEMENT made this.....day of.....two thousand and .....BETWEEN Shri/Smt. ..... a Member of Legislative

Assembly (hereinafter called "the Borrower" which expression shall include his/her heirs, administrators, executor, legal representative and assignees) of the one part and the Governor of

Kerala .... (hereinafter called the State Government) of the other part.

WHEREAS THE BORROWER has under the provisions of the Members of Kerala Legislative Assembly (Advance for the purchase of vehicle) Rules, 2012 made under the Payment of Salaries and Allowances Act, 1951 applied to the State Government for a loan of₹..... (Rupees .....only) for the purchase of vehicle and the State Government has agreed to lend the said amount to the Borrower on the terms and conditions contained hereinafter.

NOW IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of . ..... paid by the State Government to the Borrower (the receipt of which the Borrower hereby acknowledges), the Borrower hereby agrees with the State Government (1) to pay to the State Government the said amount calculated according to the said rules by monthly deductions from the allowances admissible to him/her as provided for by the said rules and hereby authorise the Secretary to make such deductions and (2) to expend, within one month from the date of these presents, the details of full amount of the said loan in the purchase of a vehicle or if the actual price paid is less than the loan to repay the difference to the State Government forthwith to execute a document hypothecating the said vehicle to the State Government as security for the amount lent to the Borrower as aforesaid within one month from the date of these presents or if the Borrower within that period becomes insolvent or ceases to be a Member or dies, the whole amount of the loan shall become due and payable.

IN WITNESS WHERE OF THE BORROWER AND ..... for and on behalf of the Governor of Kerala have hereunto set their hands.

Signed by the said Shri/Smt.

....

.....

In presence of (1) Shri/Smt. .....(Witness)

(2) Shri/Smt. .....(Witness)

FORM III

[See Rule 7(2)]

FORM OF MORTGAGE BOND FOR VEHICLE

THIS INDENTURE made this.....day of ..... two thousand and .....

BETWEEN ..... (hereinafter called "the Borrower" which expression shall include his heirs, administrator, executors, legal representative and assignees) of the one part and the Governor of Kerala (hereinafter called, the State Government of the other part.

WHEREAS THE BORROWER has applied for and has been granted an advance of Rupees .... to purchase a vehicle in terms of the Members of the Kerala Legislative Assembly (Advance for the Purchase of Vehicle) Rules, 2012, (hereinafter referred to as the "said Rules");

AND WHEREAS, one of the condition upon which the said advance has been/ was granted to the Borrower is/was that the Borrower will/would hypothecate, the said vehicle to the State 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 vehicle particulars whereof are set out in Schedule hereunder written;

NOW THIS INDENTURE WITNESSETH that the pursuance of the said agreement and for the consideration aforesaid the Borrower doth hereby undertake to pay to the State Government the sum of ..... aforesaid or the balance thereof remaining unpaid at the date of these presents by equal payment of .....each on every month and will pay the sum for the time being remaining due and owing, calculated according the said Rules and the Borrower doth agree that such payment may be recovered by monthly deductions from his admissible allowances bill 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 State Government the vehicle the particulars whereof are set out in the Schedule hereunder written by way of security for the said advances 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 vehicle and the same is his absolute property and that he has not pledged and so long as any money remain payable to the State Government in respect of the said advance will not sell, pledge or part with the property in or possession of the said vehicle.

Provided always that it is hereby agreed and declare that if any of the said installments of the advance shall not be paid or recovered in the manner aforesaid within ten days after the same are due or if the Borrower shall sell or pledge or partwith the property in, or possession of the said vehicle or become insolvent or made any composition or arrangement with his creditor or if any person shall take proceedings in execution of any decree or judgment against the Borrower,

the whole of the said advance sum which shall then be remaining due and unpaid thereon, calculated as aforesaid shall forthwith become payable.

AND IT IS HEREBY AGREED and declared that the State Government may on the happening of any of the events herein before mentioned seize and take possession thereof without removing the same or else may remove and sell the said vehicle either by public auction or private contract and may out of the sale money retain the balance of the said advance then remaining unpaid calculated as aforesaid and all costs, charges, expenses and payment properly incurred or made in maintaining, defending or realizing its rights hereunder and shall pay over the surplus, if any to the Borrower, is executor, administrator or personal representatives.

PROVIDED FURTHER that the aforesaid power of taking possession of and selling of said vehicle shall not prejudice the right of the State Government to sue the Borrower or his personal representatives for the said balance remaining due or in the case of the conveyance being sold the amount owing.

AND the Borrower hereby further agree that so long as moneys are remaining due and owing to the State Government the Borrower will insure and keep insured the said vehicle against loss of damage by fire, theft and accident with an Insurance company and will produce evidence to the sanctioning authority that the Motor Insurance company with whom the said motor vehicle is insured have received notice that the State Government (Governor of Kerala) is interested in the Policy And the Borrower hereby further agrees that he will not permit or suffer the said vehicle to be destroyed or damaged or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear therefore and further that in the event of any damage or accident happening to the said vehicle Borrower will forthwith have same repaired and made good.

SCHEDULE

Description of Vehicle :

Maker's name :

Description :

No. of cylinders :

Engine Number :

Chassis No. :

Cost Price :

Registration No. of the Vehicle :

Insurance Policy No. :

In witness whereof the said ..... (borrower's name) and ..... for and on behalf on for and on behalf of the Government of Kerala 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)
Signed by (Name and Designation)

(Signature and Designation of the Borrower)

---

for and on behalf of the

in the presence of :

1. ....

2. ....

(Signature of witnesses)
1. ....
... 2.
....

(Signature and designation of the officer)

Name and Designation of the Borrower .....

FORM IV

(See Rule 11)

FORM OF THE CLAUSE TO BE INSERTED IN INSURANCE POLICIES

1. It is hereby declared and agreed that Shri. .... (the owner of the vehicle hereinafter referred to as the insured in the Schedule to this policy) has hypothecated the vehicle to the State Government (Governor of Kerala) as security declared and agreed that the said Government (Governor) are interested in any money which but for this endorsement be payable to the said Shri... ....(the insured under this policy) in respect of the loss or damage of the said vehicle (which loss or damage is not made good by repair, reinstatement or replacement) and such moneys shall be paid

to the said Government (Governor) as long as they are the mortgages of the vehicle and their receipt shall be full and final discharged to the company in respect of such loss or damage.

2. Save as by this endorsement expressly agreed, nothing herein shall modify or affects 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.

By order of the Governor,

K. R. JYOTHILAL,
Secretary to
Government.