

## LOANS AND ADVANCES

### FESTIVAL ADVANCE :

**[Authority: G.O.Ms.No. 186 Finance dated 16-5-1962 and G.O.Ms.No. 146 Finance dt. 21-4-1962]**

- 1] The FA bill should be preferred in APTC FORM NO 40

#### HEAD OF ACCOUNT:

7610 – LOANS & ADVANCES TO GOVT. SERVANTS  
800 - OTHER ADVANCE  
04 - FESTIVAL ADVANCE

- 2] Ink signed copy of the sanction order should be enclosed to the bill containing details of the FA sanctioned in connection with the Festival, date, Amount sanctioned, name of the individual for whom advance sanctioned, head of A/c etc.,
- 3] Employees who are drawing a pay in the time scale 7770-17455 and below are eligible for sanction of Festival Advance. FA is not admissible to NMR and Casual Labor.
- 4] For NGOs - Rs 2000/- and for Class IV Employees Rs. 1500/-  
**[Authority: GO P NO 78 F&P [FW A&L] DEPT DT 03-04-2006]**
- 5] The advance sanctioned should be recovered in [10] equal monthly installments.
- 6] In case of death; the outstanding loan amount shall be waived  
**[Authority:GOMSNO 167 F&P [FW A&L] DEPT DT 4-10-99]**
- 7] Where both Wife and Husband are employees only one among them is entitled.
- 8] A certificate to the effect that the Government servants included in this bill have not been sanctioned or paid earlier
- 9]] A certificate to the effect that no previous advance is outstanding for recovery should be furnished.
- 10] There is no budget watching for this advance and it is a non-bearing interest loan.
- 11] F.A. shall be sanctioned once in a financial year  
**[Authority: Art 238 of A.P.F.C. Volume-I]**

## EDUCATION ADVANCE

**[GOMS NO 235 F&P(FW A&L)DEPT DT 22-8-93, GOMS NO 262 EDN(H) DEPT DT 8-5-85, AND GO MS NO 220 F&P (FW A&L) DT 28-4-94]**

1] The bill should be preferred in **APTC FORM 40.**

### **HEAD OF ACCOUNT:**

7610 – LOANS & ADVANCES TO GOVT. SERVANTS  
800 - OTHER ADVANCE  
10 - EDUCATION ADVANCE  
TO THE CHILDREN OF NGOs

- 2] Sanction of Education Advance is to be issued by the Competent authority.
- 3] The EA is Rs 3000/- to the NGO who are drawing pay in the time scale upto Rs.7770 – 18575 **[Authority: GO P NO 78 F&P FW A&L DEPT DT 03-04-2006]**
- 4] Employee having at least one child of school going age or higher age Pursuing studies would be eligible for this advance.
- 5] The amount should be restricted to Rs. 3000/-to a Govt servant irrespective of Number of School going children.
- 6] If wife and husband are Govt employees only one of them is eligible for this advance.
- 7] Head of the Office will be the sanctioning authority.
- 8] Only one such advance in the period from May to April would be eligible **[Authority: GO MS NO 243 F&P DT 27-8-83]**
- 9] This Advance shall be sanctioned subject to the budget provision and Treasury control
- 10] The regular employee completed 2 years of service are eligible for this advance.
- 11] The recovery should be completed in 10 equal monthly installments.
- 12] In case of death; the outstanding balance shall be waived. **[Authority: GO MS NO 388 DT 27-11-93.]**
- 13] This advance is a non bearing interest loan.
- 14] If a Govt employee having more than two children are not eligible for this advance
- 15] A Govt servant should furnish a declaration to the effect that they are not having more than two children along with application.
- 16] The application shall be made in the prescribed proforma

17] The Advance should be drawn and disbursed during the month of May only.

## **HOUSE BUILDING ADVANCE**

[HBA rules issued in GO MS NO 311 F&P(FW A&L)DEPT DT 6-11-96]

1] The bill should be preferred in APTC FORM 40

**HEAD OF ACCOUNT: 7610 – LOANS & ADVANCES**

**TO GOVT. SERVANTS**

**201 - HOUSE BUILDING ADVANCE**

**05 - HBA**

2] Regular Govt employees who have completed 8 years of service is eligible for this advance.

3] If both Wife and Husband are Govt employees; only one of them are eligible

4] **The advance shall be sanctioned for the purpose of :**

A] Purchase of House site and construction of House or Flat

B] Construction of House/Flat on the site already owned by the applicant/ spouse / minor child.

C] For Purchase of House site

D] Purchase of ready build house or flat

E] Repairs/ extensions / enlargements / additions / improvements to the house owned by the applicant / spouse / minor child.

5] The powers have been delegated to all the head of the Offices for sanction of loans and advances

**[Authority: GO MS NO 131 F&P (FW A & L)DEPT DT 19-8-97]**

A] Head of the Office is empowered to sanction all loans and advances to the employees up to his next below level

B] In respect of head of Office—next superior Officers

C] In respect of Regional Officers—head of the department.

6] **Amounts eligible for sanction:[GO P NO 77 F& P (FW A&L) DEPT DT 03-04-2006]**

a] Basic pay up to 7700/- p.m. — 3.50 lacks

b] Basic pay above 7700/-p.m.  
and up to 12385/- -p.m. — 4.00 lacks

c] Basic pay above 12385/-p.m.  
and up to 18575/-p.m. — 4.50 lacks

d] Basic pay above 18575/- — 5.50 lacks (or)

**72 times of basic pay which ever is less.**

e] for repairs 15 times of basic pay and subject to maximum of 90000/-

7] **INTEREST:**

A] for last grade employees	7.5% p.a.
B] for others —	8.5%p.a.

**8] REPAYMENT OF ADVANCE: [RULE 9]**

- A] for construction of house, ready built house, flat — 240 installments for principle and 60 installments for interest;
  - B] for repairs — 75 installments for principle and 15 installments for interest;
  - C] for house site –60 installments for principle and 12 installments for interest;
- 9] The property should be insured for the amount of advance plus interest.
- 10] If a Govt servant died while in service; the recovery of outstanding balance of HBA plus interest shall be waived by the head of the department [Authority: Rule 14 ]
- 11] A Govt servant who have taken HBA will not be eligible for Govt accommodation.
- 12] The property should be pledged with the Government;
- 13] Govt servant is also eligible for second loan of HBA if first advance is pending .
- 14] The recovery should be commenced from the date of completion of the building or 18 months from the date payment of 1<sup>st</sup> installment of 1/3<sup>rd</sup> advance for construction of house / flat.
- 15] The House Building Advance bill should be accompanied by the ink signed sanction order and necessary certificates issued by the Competent authority
- 16] The authorities competent to sanction are responsible for irregular sanctions if any; and Govt shall initiate disciplinary action against them as per APCS[CCA] RULES.  
**[Authority: Govt memo no 17348/709/A1/A&L/83, F&P(FW A&L)Dept dt 9-6-83.**
- 18] Necessary entries should be made in the SR under proper attestation
- 19] The Government Servant shall submit utilization certificates from time to time for release of installments wherever necessary
- 20] Finally the Government servant should submit completion certificate to the sanctioning authority.

## **VEHICLE LOANS:**

**[ART 226 OF A P Financial Code –Volume-I]**

### **[MOTOR CARS/MOTOR CYCLES/SCOOTORS/BI-CYCLES/MOPEDS]**

- 1] **The bill should be preferred in APTC FORM 40.  
BI-CYCLE ADVANCE:**

**HEAD OF ACCOUNT : 7610 – LOANS & ADVANCES TO GOVT. SERVANTS**  
202 - CONVEYANCE ADVANCE  
05 - CYCLE ADVANCE

- A] All Govt employees including Class IV are eligible.
- B] Rs 2500/- is the maximum limit for sanction of this advance.
- C] This advance shall not be sanctioned who have already availed the Motor Car/Motor Cycle / Scooter or Moped **[Authority: Cir Memo No 58452-B/831/78 Finance dt 17-8-78]**
- D] Second and subsequent advance may be sanctioned after lapse of 3 years from the Date of drawl of previous advance **[Authority: Note 1 of ART 232 (b) of APFC Vol.I]**
- E] The advance shall not be sanctioned for more than 3 times in entire service.
- F] Necessary entries shall also be recorded in the SR of the Individual.**[Authority: GO MS NO 27 F&P (FW A&L) DEPT DT 7-2-96]**
- G] The Govt servant shall submit the utilization certificate within one month from the Date of disbursement  
**[Authority: Art 232(b)(i) of APFC Vol.I]**
- H] In case of death , the outstanding balance along with interest shall be waived.  
**[Authority: GOMSNO 388 F&P(FW A&L) DEPT DT 27-11-93]**
- I] The interest shall not be collected from the loanee for any period beyond the date of retirement on the outstanding balance of advance if any. **[Authority: Note 2 of Art 227 of A P Financial Code Volume-I ]**
- [J] If a Government employee failed to utilize the advance, for the same purpose within the stipulated time or extended time shall be liable to refund the entire amount along with penal interest besides initiation of disciplinary action as per CCA rules.

### **PURCHASE OF MOPEDS:**

- A] The Govt drivers who have completed 2 years of service are eligible for this advance irrespective of basic pay.
- B] The advance shall be sanctioned only once in entire service.
- C] Those persons who have earlier availed the advance for purchase of Motor Cycle/ Scooter/ Moped are not eligible for this advance  
**[Authority: GO MS NO 333 F&P (A&L) DT 14-12-83.]**
- D] An advance of Rs 15000/- or cost of the vehicle which ever less is eligible.

- E] The other employees who are drawing a basic pay of Rs. 6505/- and above are eligible for this advance.
- F] The head of the Office is competent to sanction this advance.
- G] This advance is subject to budget provision and treasury control.
- H] In case of death; the outstanding balance along with interest shall be waived.  
[Authority: G.O.Ms.No.154, F & P,(FW A & L)Dept.Dt.09-11-2000]

**MOTOR CYCLE / SCOOTOR:**

**HEAD OF ACCOUNT:** 7610 – LOANS & ADVAMCES  
TO GOVT. SERVANTS  
202 - CONYANCE ADVANCE  
04 - MOTOR CYCLE  
ADVANCE

- A] Employees drawing basic pay Rs.6505/- and above are eligible for this advance.
- B] An advance of Rs. 40000/- or cost of the vehicle whichever is less is eligible.
- C] Govt employees who are eligible for purchase of Motor Car shall also eligible for the advance. [Authority: GO Ms. NO 35 FIN DT 27-2-81]
- D] In case of death; the outstanding balance along with interest shall be waived.  
[Authority: G.O.Ms.No.154, F & P,(FW A & L)Dept.Dt.09-11-2000]

**MOTOR CAR ADVANCE:**

- A] Employees drawing basic pay Rs. 15975/- and above are eligible for this advance
- B] An amount of Rs 3.00 lacks or 15 times of basic pay or cost of the vehicle whichever is less is eligible.
- C] In respect of all India services they are entitled to the advance with reference to their pay in RPS of AIS of 1996 subject to the prescribed ceiling  
[Authority:UO note No, 16856/130/A2/A&L/98 dt 24-6-98 of F&P[FW A&L] Department.
- D] In case of death; the outstanding balance along with interest shall be waived.  
[Authority:G.O.Ms.No.154, F & P,(FW A & L)Dept.Dt.09-11-2000]

**RATE OF INTEREST :**

- A] for motor car - 8.5%
- B] for Motor Cycle/Scooter /Moped - 7.5%
- C] for Bi-cycles - 6.5%

**RECOVERY :**

- A] for Motor Car — 135 installments fro principle and 65 installments for interest.
- B] for Motor Cycles/Scooters 80 installments for principle and 16 installments for interest.
- C] for Mopeds 60 installments for principle and 16 installments for interest.
- D] for Bi-cycle 26 installments for principle and 4 installments for interest.

## MISCELLANEOUS POINTS

- 1] A Government employee, shall execute a mortgage bond in Form No 4 appended by hypothecating the conveyance to the Government and the same can be kept in the safe custody of sanctioning authority. **[Authority: Art 230[c] [3] of A P Financial Code Vol-I]**
- 2] The conveyance shall be insured comprehensively and the policy should be deposited with the head of the Office.  
**[Authority: Art 230 c (4) of A P Financial Code Vol-I]**
- 3] An entry should be made in the SR of the individual under proper attestation with all particulars and also the fact of the advance may be noted in the LPC when the Govt servant is transferred **[Authority: Cir Memo No 88-8/183/399/A&L/88 dt 20-4-89 of Finance Dept] and GOMS No 27 F&P (A&L) Dept dt 7-2-96.**
- 4] The amount of advance shall be fully utilized and the receipt in support of the purchase of the vehicle and the RC book shall be submitted to the sanctioning authority within one month from the date of the disbursement of the advance.  
**[Authority : Art 230-c (3) of A P Financial Code Vol-I]**
- 5] If a Government employee failed to utilize the advance, for the same purpose within the stipulated time or extended time shall be liable to refund the entire amount along with penal interest besides initiation of disciplinary action as per CCA rules.

## ADVANCE FOR PURCHASE OF PERSONNEL COMPUTERS:

**HEAD OF ACCOUNT:** 7610 – LOANS & ADVAMCES  
TO GOVT. SERVANTS  
800 - OTHER ADVANCES  
10 – COMPUTER ADVANCE

- 1] Employee drawing basic pay of Rs 15025/- and above are eligible.
- 2] Employee eligible for Rs 50000/- for purchase of Computers.
- 3] In respect of AIS Officers whose basic pay is Rs 9000/- and above in 1996 Scales of GOI are eligible.  
**[Authority:UO Note No 16856/1301/A2/A&L/98 dt 24-6-98 and GO MS No 196 F&P FW A & L Dept dt 28-8-98]**
- 4] A second advance is eligible after lapse of a 5 years from the date of drawl of 1<sup>st</sup> advance.
- 5] The application form prescribed for the Motor Car shall be used for this advance.
- 6] Head of the Department is competent for sanction of this advance
- 7] This advance should be utilized within one month from the date of disbursement and submit the bills, receipts and connected record shall submit to the sanctioning authority.

- 8] The rate of interest is 8.5% [**Authority: GO M S NO 218 DT 28-4-94**]
- 9] Recovery of Principle shall be completed within 135 installments and interest shall be recovered in 65 installments.
- 10]The Govt servant shall execute a mortgage bond hypothecating the computer to the Govt . and the same shall be kept with the head of the Department.
- 11]The Personal Computer shall be insured and the policy shall be deposited with the head of the Office.
- 12]An entry should be made in the SR of the individual under proper attestation with all particulars and also the fact of the advance may be noted in the LPC when the Govt servant is transferred  
**[Authority: Cir Memo No 88-08/183/399/A&L/88 dt 20-4-89 of Finance Dept]and GOMS No 27 F&P (A&L) Dept dt 7-2-96.**
- 13]If a Government employee failed to utilize the advance, for the same purpose within the stipulated time or extended time shall be liable to refund the entire amount along with penal interest besides initiation of disciplinary action as per CCA rules
- 14] In case of death; the outstanding balance along with interest shall be waived. **Authority: G.O.Ms.No.154, F & P,(FW A & L)Dept.Dt.09-11-2000]**

## **MARRIAGE ADVANCE**

**HEAD OF ACCOUNT:** 7610 – LOANS & ADVAMCES  
TO GOVT. SERVANTS  
800 – OTHER ADVANCE  
05 - MARRIAGE ADVANCE

- 1] All Govt employees including AIS are eligible for this advance provided that they Complete 5 years of service.
- 2] The bill should be preferred in APTC Form No. 40.
- 3] In case of marriage of Govt employee himself or herself the advance is admissible provided that their father or mother are not Government employees.
- 4] The advance is restricted to two children.
- 5] If both wife and husband are Govt employees, one of them is eligible.
- 6] No second advance shall be sanctioned when previous one is pending for recovery.
- 7] In respect of Class-IV employees, for Male Govt. servant (self) or son of Govt. servants Rs.10,000/- is eligible towards marriage advance. For female Govt. servant (self) or daughter's marriage of Govt. servant, Rs.20,000/- is eligible.
- 8] In respect of other employees, for male Govt. servant (self) or son of a Govt. servant is eligible for Rs.15,000/- and for female Govt. servant(self) or daughter of Govt. servant is eligible for Rs.30,000/-  
**[Authority:G.O.Ms.No.78, F & P (FW A & L)Dept dt.03-04-2006]**



- 9] Govt.servant shall apply in form – I duly accompanied by a agreement in form – II.
- 10]Head of the office is competent for sanction of Marriage Advance.
- 11]No application for an advance shall be entertained before six months of the anticipated date of the marriage.
- 12]No application shall be entertained from a Govt.servant under suspension.
- 13]The advance shall be drawn and disbursed not earlier than 2 months of the date of marriage.
- 14]The advance shall be sanctioned even after the date of celebration provided that the application received in time for sanction.
- 15]For Gazetted officers 8.5 % Interest, For NGO's 7.5% interest and for Class-IV 6.5% interest **Authority:G.O.Ms.No. 219, Dt.28-4-94.**
- 16]The recovery of principal shall be made within 70 installments and the interest shall be made within 10 installments **[Authority:G.O.Ms.No.219, Dt.28-4-94.**
- 17]The utilization certificate in Form – IV shall be furnished within one month from the date of celebration of marriage or within three months from the date of drawl of marriage whichever is earlier.
- 18]If a Government employee failed to utilize the advance, for the same purpose within the stipulated time or extended time shall be liable to refund the entire amount along with penal interest besides initiation of disciplinary action as per CCA rules.
- 19]In case of death; the outstanding balance along with interest shall be waived. If the death as occurred before marriage after taking loan, the entire amount along with interest shall be recovered from the legal heirs. **[Authority: GOMSNO 388 F&P(FW A&L) DEPT DT 27-11-93].**
- 20]An entry should be made in the SR of the individual under proper attestation with all particulars and also the fact of the advance may be noted in the LPC when the Govt servant transferred **[Authority: Cir Memo No 88-08/183/399/A&L/88 dt 20-4-89 of Finance Dept]and GOMS No 27 F&P(A&L)Dept dt 7-2-96.**
- 21]A clearance certificate from the AG AP Hyderabad regarding recovery of the above mentioned long term loans for settlement of pensionery benefits is essential.

**FORMULA FOR CALCULATION OF INTEREST:**

$$N(N+1) /2 (x) R (x) V/100 (x) 1/12 = \text{Interest}$$

N= Number of Installments  
R= Amount of installments  
V= Rate of Interest