

JOINT ACCOUNTS & ADMINISTRATIVE CIRCULAR NO 92/1993. DT 11 11 93

Sub ADVANCES HBA & Two wheeler advances Interest and accountal Instructions issued - Reg

Ref Joint Accounts & Administrative Cir No 23/1989, dt 8 1 90

Instructions were issued on the methodology for calculation and accountal of accrued interest on the House Building Advance and Advance for purchase of two wheeler / four wheeler on completion of recovery of principal amount within the scheduled period As per the above Circular the Unit Officer where Employee last worked shall calculate the interest at the rates specified and issue an order of recovery indicating the amount of interest to be recovered no of installments and the rate of amount of installment to be recovered

Instances have come to notice that the installment amounts for recovery of House Building Advance and Advance for purchase of two wheeler / four wheeler are being stopped after completion of recovery of principal amount or on transfer to other Units etc Instances have also come to notice that interest amount to be recovered is not certified by S M(F) s Office in some regions In order to ensure that the full loan amount of House Building Advance and Advance for purchase of two wheeler / four wheeler with interest is recovered without any break the following further instructions are now issued in continuation of the instructions contained in the Joint Accounts & Administrative Circular (copy enclosed for ready reference)

1 The Sr Manager(F) of the Regions / Dy Manager(F)/BBU and Dy M(F)/P&A HO have to watch the recovery of installments from the Employees while pre auditing salary bills If any omission of recovery is noticed against the name of any Employee in a particular month without giving proper explanation / remarks in the salary bill the pre auditing Dy Manager(F) should not allow the salary to be paid to the Employee and it should be brought to the notice of S M(F) Sr Manager(F) shall insist on the Unit Officer to effect recovery either toward House Building Advance or two wheeler advance and interest Some times it is also possible that recovery of installment cannot be effected if the Employee goes on extra ordinary leave for longer period or when the period of absence either due to sickness or un authorised absence is treated as extra ordinary leave / half pay leave In case of non recovery of any installment due to LWP etc recovery of all overdue installment amounts shall be effected as soon as salary is drawn A close watch shall be kept by the Unit Officer as Audit Officer in such cases

Whenever more than 3 installments are not recovered continuously for any reason such as suspension LWP (extra ordinary leave) etc the Accounts Wing of the unit should inform in writing to the respective Administrative wing i e AM(P) or Supdt(P) in case of Depots SM(P) in case of non operational Units Dy M(P) in case of BBU or SM(W) in case of HO for necessary administrative action

- (a) In case of removal resignation retirement the amount of advance shall be adjusted from the settlement dues in terms of the Agreement and the balance loan amount if any outstanding still should be recovered from the Sureties in terms of Circular No PD 33/1993 dt 29 4 93 The Administration wing should inform the particulars of Sureties from whom the recovery is to be effected by the Accounts/Audit Wing In case of recoveries from the Sureties the details of amounts

recovered from the Sureties shall be maintained separately so that the reconciliation of loan can be made easily

- (b) In case of death of an employee while in service the amount of loan outstanding becomes irrecoverable. In such cases action should be taken to obtain write off sanction from the competent authority as per delegation of powers. If for any valid reasons the competent authority does not accord write off sanction then recoveries should be effected as in the case of retirement etc.

2 The Manager of the unit where the last installment of loan is recovered and also the Employee concerned who draws the House Building Advance / Conveyance Advance are responsible to ensure that the recovery of interest is properly effected immediately after completion of recovery of principal amount without any break in the recovery.

3 Action should be taken by the Unit Officer to send a statement of interest to the Dy M(F) concerned who is authorised to pre audit the salary bills. This interest statement shall be submitted to the Dy M(F) (pre auditing authority) for certification of interest 12 months in advance of total recovery.

4 Once the interest amount is certified by Dy M(F) (pre auditing authority) it should be incorporated in the accounts maintained at Unit level and also into the computer.

5 The balance as shown in the pay bill shall also be compared with that in the suspense register. Any variation in the amount should be investigated into and corrective action should be taken.

6 A true extract of every Employee's account from the suspense register with suitable remarks wherever necessary shall be certified by the Unit Officer in respect of Operational Units and by the Dy M(F) in respect of non operational Units and filed in the P case. One copy shall be sent to the respective sanctioning authority every year by 30th April certain.

7 The respective Dy Ms (F) while pre-auditing the GEN 23s shall ensure that the statements of HBA / Conveyance Advance as referred to in the previous para are filed in the P case and balance of loan recorded in the SR.

8 The balances outstanding against two wheeler / four wheeler advances and House Building Advance should invariably be shown in the LPC. In case of HO and Non operational Units the Dy Manager (F) while certifying the LPC should ensure that the balances outstanding are properly certified and also ensure that Debit Advices for the amounts are sent along with LPC.

All the Unit Officers and Senior Managers (F) shall ensure that these instructions are followed scrupulously.

Sd/ A Krishna Murthi
F A & C A O

Sd/ J Radha Krishna Reddy
EXECUTIVE DIRECTOR (A)

Note Enclosures are not printed