

GRANT OF ADVANCE FOR PURCHASE OF PERSONAL COMPUTER**Authority**

1) PC No.34/97
Dt.22-11-1997
(BDL/04/51/
106/C-P&A
dt.26-11-1997)

The scheme for granting of advance for purchase of Personal Computer to Executives in Grade IV and above was introduced with effect from 26-11-1997 and extended to all non-executives and executives with effect from 25-04-2003.

2) PC No.10/2003
Dt.25-04-2003
(Para-1 & 3)

2. The salient features of the scheme are as under :

(i) The employees have atleast take-home-pay of not less than one-third of the Gross Wage/Salary after effecting all recoveries including EMI towards advance for purchase of Personal Computer (from the Financial Year 2003-2004).

ii) The employees who have availed of the motor car advance earlier will be eligible for grant of the advance for purchase of a Personal Computer subject to the following :-

Authority

PC No. 34/97
Dt.22-11-1997

- a) the advance should have been fully repaid with interest.
- b) a period of four years should have elapsed from the date of sanction of the car advance.

iii) **Amount of Advance** : Rs.25,000/- or actual cost of the Personal Computer (excluding custom duty) whichever is less (from Financial year 2003-2004).

Authority

PC No.10/2003
Dt.25-04-2003
(para-2 & 3)

PC No. 34/97
Dt.22-11-1997
*PC No.05/2006
Dt.16-01-2006

iv) **Rate of Interest** : Same as for Motor Car Advance applicable to Central Government employees (*the present rate of interest is 11.5% for 2003-04, 2004-05 & 2005-06)



v) **Repayment** : 70 Equal Monthly Instalments, out of which 60 equal Monthly Instalments towards principal and the balance 10 instalments towards interest.

vi) **Mortgage** : The Personal Computer should be mortgaged/hypothecated to the company.

3. The other terms and conditions governing the advance will be the same as applicable to Central Government employees in respect of similar advance granted by the Government of India.

Authority

PC No.10/2003

Dt.25-04-2003

4. The advance will be made to the eligible employees subject to budget availability.

5. The Application Form, Agreement, Hypothecation Documents are mentioned at Annexure I, II and III)(Ref. IDN No.BDL/04/51/106/C-P&A dt.06-01-1998).

6. Extract of Govt. Rules, as in Swamy's Hand Book-1997 in this connection are given at Appendix-A which shall also be applicable (Ref. IDN No.BDL/04/51/106/C-P&A).



ANNEXURE – I (Page –1)
(Para –5)

BHARAT DYNAMICS LIMITED
KANCHANBAGH : HYDERABAD

APPLICATION FORM FOR ADVANCE FOR THE PURCHASE OF PERSONAL
COMPUTER

1. Name of the Applicant
2. Designation
3. Grade/WG & Pay Scale
- 3.1 Whether confirmed in the
the post and Grade/WG YES/NO From _____
4. Basic Pay
5. Deptt. & Division
6. Do you possess any PC ? YES/NO
- 6.1 If yes, Please specify
 - a) Date of purchase
 - b) Make
 - c) Model
 - d) No. of PC
- 6.2 If the Purchase is made
by raising a loan :
 - a) Date of loan
 - b) From
7. Actual price of the PC
proposed to be purchased
(excluding custom duty in any)

Contd...



ANNEXURE – 1 Contd..

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8. Amount of advance required
9. Date of superannuation or Retirement
10. Number of instalments in which the advance is proposed to be repaid, if the number is less than 70.
11. Whether advance for similar purpose was obtained previously and if yes, please specify. YES/NO
- a) Date of drawal of advance :
- b) The amount of advance and/or Interest thereon still out- Standing, if any. Advance a) Amount Rs.
b) Balance Rs.
Interest Rs.
12. Whether the intention is to purchase a new or an old PC NEW /OLD PC
13. Are you on leave or about to proceed on leave. :
- a) the date of commencement of leave :
- b) the date of expiry of leave :
14. Are you under suspension ? : YES/NO From _____
If yes, since when.

Contd...



Annexure – I Contd...

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15. Have you obtained advance for Motor :
car previously? If so :
- a) Date of drawal of advance :
b) Amount of advance :
c) The balance due for recovery : i) Advance amount Rs. _____
ii) Interest amount Rs. _____
d) The period of 4 years from the :
date of sanction of advace have :
elapsed on :
16. a) Certified that the information given above is complete and true.
- b) Certified that I have taken delivery of the PC on account of which I apply for the advance, that I shall complete negotiations of the purchase of, pay finally and take possession of the PC before th expiry of one month from the date of drawal of the advance.

Signature of Applicant

Place: _____

Staff No. _____

Date: _____

Deptt./Div. _____

Recommendations of the Division.

Signature of the Head of Deptt.
with seal_____
Signature of Division with seal.

I hereby agree to stand as surety to Shri _____
St.No. _____ Department/Division _____ for the
payment of the advance, if paid by the company for the purchase of a PC.

Contd....



Annexure – 1 Contd...

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I am not at present a surety to any other employee of Bharat Dynamics Limited who has taken a PC advance and not hypothecated inn the same in favour of the company nor do I owe any amount on this account to the Company for which action regarding hypothecation of the PC has not been completed.

I have not stood as surety for any other employees of Bharat Dynamics Limited in respect of other advances nor do I owe any amount to the Company on this account.

I am an employee who is serving BHARAT DYNAMICS LIMITED Continuously for more than one year. I am a permanent employee of BHARAT DYNAMICS LIMITED .

I certify that the above particulars mentioned by me are correct.

Place
Date

SIGNATURE OF SURETY :
Staff No.
Department :
Designation of Surety:

To

The _____
_____ P&A,
Bharat Dynamics Limited,
Kanchanbagh,
Hyderabad – 58.



ANNEXURE – II
(Para-5)Agreement executed at the time of drawing an advance
by an employee for the purchase of a Personal Computer (PC).

AN AGREEMENT made on _____ day of _____ (Year) between Shri/Smt. _____, Staff No. _____, Design _____ an employee of Bharat Dynamics Limited, _____ Department, _____ Division (herein after called the Borrower, which expression shall include his heirs, administrators, executors and legal representatives) of one part and BHARAT DYNAMICS LIMITED (herein after referred to as Company, which expression shall include its successors and assignees) of the other part;

WHEREAS the Borrower has under the provisions of the Rules of the Company as announced in the PC No. 34/97 dt. 22.11.97 under Ref . No. BDL/04/51/106/C-P&A dt.22/26.11.97 (herein after referred to as the said rules which expression shall include any amendments thereof for the time being in force) applied to the Company for the Loan/Advance of Rs. _____ (Rupees _____) only for the purchase of a PC

AND, WHEREAS the Company has agreed by its letter No. _____ dated _____ to lend the said amount to the borrower on the terms and conditions hereinafter contained;

NOW IT IS HEREBY AGREED

THAT in consideration of the sum of Rs. _____ (Rupees _____ thousand) only to be paid/advanced by the Company by way of loan to the Borrower (the receipt of which the Borrower hereby acknowledges), the Borrower hereby agrees with the Company (1) to repay the Company the said amount with the interest calculated according to the said rules by monthly deductions from his/her salary as provided in the said rules, and hereby authorized the Company to make such deductions and (2) within one month from the date of receipt of the loan pursuant to these presents;

Contd...



Annexure – II Contd..

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- a) to expend the full amount of the said loan in the purchase of a PC; or
- b) if the actual price paid for the PC is less than the amount advanced, to refund the difference to the company forthwith; and
- c) within one week from the date of the purchase of the PC, executes a document hypothecating the said PC to the Company as security for the amount advanced to the Borrower as aforesaid (inclusive of interest thereon) in the form prescribed by the said rules, and ;

It is hereby further declared and confirmed that if the PC is not purchased and/or not hypothecated as aforesaid within the period stipulated above or if the Borrower, before the said advance is full repaid becomes insolvent or ceases to be in the service of the Company or dies, the whole amount of the advance together with the interest accrued thereon or as much of it as may remain outstanding at the time shall immediately become due and payable.

It is hereby further declared that the terms and conditions enumerated in the said rules shall form the part and parcel of this agreement.

IN WITNESS WHERE OF THE BORROWER and the Company for and on behalf of the company the have hereunto set his hand the day and year first before written.

Signed by the said Shri _____ in the presence of

_____.

Signature of Witnesses,
With designation and
Addresses.

Signature, designation and
address of the borrower.

1)

2)

Contd..



Annexure – II Contd...

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Signature of the Company Officials
with official seal who signed for
and on behalf of the Company.

I agree to stand surety for the above debt and further agree that any time or indulgence shown or granted to the Borrower aforesaid with or without my knowledge, shall not in any way, exonerate me from the liability to pay the debt under this agreement. I have not stood surety in any other pending cases not have I taken any advance myself for the purchase of a PC in respect of which the same has not been hypothecated to the Company.

Signature of Witnesses,
With designation and
Addresses.

Signature, designation and
address of the borrower.

1)

2)



ANNEXURE – III
(Para- 2(Vi) & 5)LETTER OF HYPOTHECATION EXECUTED FOR ADVANCE PAID TO
PURCHASE OF PERSONAL COMPUTER

THIS INDENTURE made this the _____ day of _____ of year Two thousand _____ between Sri/Smt. _____ St.No. _____ Department _____ and employee of BHARAT DYNAMICS LIMITED (hereinafter called 'The Borrower', which expression shall include his heirs, administrators, executors and legal representatives) of the one part, and BHARAT DYNAMICS LIMITED (hereinafter called 'The Company ' which expression shall include its successors and assignees) of the other part.

WHEREAS the borrower has applied for and has been granted an advance of Rs_____ (Rupees _____) Vide Lr. No. _____ dated _____ to purchase a PC under the rules of the Company as announced vide PC No.BDL/04/51/106/C-P&A dt.22/26-11-1996 (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 granted to the borrower is that the borrower will hypothecate the said PC to the Company as security for the amount loan to the borrower.

AND WHEREAS the borrower has purchased with whole/part with the amount so advanced as aforesaid, the PC particulars whereof are set out in the schedule hereunder written.

NOW THIS INDENTURE WITNESS

That in pursuance of the said agreement and for the consideration aforesaid the borrower both hereby convenient to pay to the Company the sum of Rs. _____ (Rupees _____) aforesaid by equal payments on the fifth 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/her salary in the manner provided by the said

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Annexure – III Contd...

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rules, and the Borrower doth hereby assign and transfer unto the company the PC 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 by the said rules.

AND THE BORROWER do hereby agree and declare that he has paid in full the purchase price of the said PC and that the same is borowers absolute property and that he has hot pledged and so long as any money remains payable to the company in respect of the said advance, will not sell, pledge or part with the property in or possession of the said PC.

PROVIDED ALWAYS that it is hereby agreed and declared that if any of the said installments of principle 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 cease to be in Company's service or if the borrower shall sell or pledge or part with the property in or possession of the said PC or become insolvent or make any composition or arrangement with his/her creditors or if any person shall take proceedings in execution of any decree or judgment against the borrower the whole of the said principal sum which shall then be remaining due and unpaid, together with interest thereon calculated as a aforesaid, shall forthwith become payable.

AND IT IS HEREBY AGREED and declared that the Company may on the happening of any of the events herein before mentioned seize and take possession of the said PC and either remain in possession thereof without removing the same or else may remove and sell the said PC either by public auctioneer private contract and may out of the sale money retain in 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 Company's rights hereunder and shall pay over the surplus, if any, to the borrowers, his executors, administrators or personal representatives.

PROVIDED whether that the aforesaid power of taking possession or selling of the said PC shall not prejudice the right of the company to sue the borrower or his personal representatives for the said balance remaining due and the interest or in the case the PC being sold the amount by which the net

Contd...



Annexure – III Contd....

– 3 -

sale proceeds fall short of the amount owing AND the borrower hereby further agrees that he will not permit or suffer the said PC to be destroyed or injured or to deteriorate in a greater degree that it would deteriorate by reasonable wear and tear thereof and further that in the event of any damage or accident happening to the said PC the borrower will forthwith have the same repaired and made good.

THE SCHEDULE

Description of the Personal Computer :

No. of Personal Computer :

Maker's Name :

Model :

Others, if any :

Cost Price :

Signature
and Address of the
Borrower.



APPENDIX – A
(Para-6)GOVT. RULES FOR ADVANCE FOR PURCHASE OF
PERSONAL COMPUTER
(EXTRACT FROM SWAMY'S GENERAL FINANCIAL RULES)

Eligibility : Officers drawing basic pay (including NPA and stagnation increment) of Rs.3,500/- p.m. or more are eligible for the grant of advance. This may be relaxed by the Secretary to the Ministry/Department in deserving cases.

Sanctioning Authority : Same as for motor car advance.

Amount : Rs.45,000/- or the anticipated price of the computer (excluding customs duty, if any) whichever is less.

Conditions –1 An application for the grant of advance for the purchase of a personal computer shall be made in form GFR 27.

2. A second or subsequent advance for the purchase of a personal computer cannot be granted before the expire of 8 years from the date of drawal of the earlier advance.

3. Advance not admissible for payment of customs duty on the personal computer. – Rule 199 (5)

Mortgage – Same as for motor car advance. Instead of Chasis No. and Engine No. the Make, Model and No. of the Personal Computer should be entered in Form GFR 24.

Repayment - In not more than 150 monthly instalments. Total recoveries on account of all advances including computer advance, taken by a Government servant shall not exceed 50% of the total emoluments.

Interest : To be recovered in minimum number of monthly instalments. Amount of each instalments to be not greater than the amount fixed for repayment of principal.. – Rule 203.

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Appendix – A Contd...

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General Conditions : For grant of advance to employees for purchase of Motor Car/Motor Cycle/Scooter, etc.

1. The authority competent to sanction the advance is Department of Central Govt./Administrator/Head of Department.
2. He should be satisfied about the applicant's repaying capacity.
3. Officials without substantive appointment should furnish surety bond in Form GFR 21 from a permanent official of status equal to or higher than the applicant himself.
4. The advance should not be sanctioned or disbursed to an official under suspension.
5. The advance can be granted only if the outstanding balance, if any, in respect of any advance previously granted for the same purpose, together with interest thereon, has been fully repaid.
6. The advance cannot be granted if the vehicle has been purchased already and paid for, unless it has been purchased and paid for by raising temporary loan within three months from the date the advance was applied for.
7. Prior permission for, or intimation of, the purchase of the vehicle is necessary under the Conduct Rules.
8. Purchase of the vehicles should be made within one month from the date of drawal of the advance – exception item 6 above
9. Registration Certificate of the vehicle in his name should be produced within a month of purchase, or within two months from the date of drawal of the advance, failing which penal interest from the date of drawal of advance to the date of production of RC will be levied.
10. The Motor Car should, after purchase, be mortgaged to the President.
11. Recovery of the advance will commence with the first issue of pay and/or leave salary or subsistence allowance after drawal of advance.
12. Simple interest at the rate prescribed for the purpose, will be charged on the balance outstanding on the last date of each month and will be recovered in one or more installments after complete repayment of the principal.
13. Sanction should indicate the interest at 2 ½ % more than the prescribed rate with a stipulation that a rebate of 2 ½ % will be allowed for prompt repayment and observing of other conditions.

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14. Interest may be calculated by applying the following formulae:

(i) Principal repaid in equal installment from month to month

$$\text{Interest} : \frac{n(n+1)}{2} \times \frac{x}{12} \times \frac{r}{100}$$

(ii) Portion of the principal is paid in equal monthly installments, and the balance is paid in lumpsum

$$\text{Interest} : \frac{n}{2} (a + l) \times \frac{r}{100} \times \frac{1}{12}$$

(iii) Repayment is not regular

The balances outstanding on the last day of each month should be added up. Then –

$$\text{Interest} = \text{Total interest} - \text{bearing balance} \times \frac{1}{12} \times \frac{r}{100}$$

Where

n – No. of installments including last installment of lumpsum payment, if any.

a – Amount of principal

x - Amount of each installment of repayment

r – Rate of interest

l – Last balance for which interest is due.

NOTE : Recovery made from the pay for a month is deemed to be made on the first of the succeeding month.

