
**KARNATAKA LEGISLATURE SALARIES, PENSIONS AND
ALLOWANCES (GRANT OF ADVANCE TO THE MEMBERS OF
LEGISLATURE FOR PURCHASE OF MOTOR CAR OR MOTOR
CYCLE) RULES, 1985**

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In exercise of the powers conferred by Section 15 of the Karnataka Legislature Salaries, Pensions and Allowances Act, 1956 (Karnataka Act 2 of 1957), read with Section 13-A of the said Act, the Secretary, Karnataka legislature, with the approval of Special Board, hereby makes the following rules, namely.

1. Title and commencement :-

(1) These rules may be called the Karnataka Legislature Salaries, Pensions and Allowances (Grant of Advance to the Members of Legislature for Purchase of Motor Car or Motor Cycle) Rules, 1985.

(2) They shall come into force at once.

2. Definitions :-

In these rules, unless the context otherwise required.

(i) "Act" means the Karnataka Legislature Salaries, Pensions and Allowances Act, 1956 (Karnataka Act 2 of 1957);

(ii) "Sanctioning Authority" means ¹ [the Secretary, Karnataka Legislative Assembly/the Secretary, Karnataka Legislative Council, as the case may be];

(iii) "Audit Officer" means the Accountant General, Karnataka, Bangalore;

(iv) Terms and expressions used in these rules but not defined shall have the same meanings respectively assigned in the Act.

1. Substituted for the words "the Board consisting of the Chairman, Legislative Council and the Speaker, Legislative Assembly" by Notification No. ACTS- I/ACT/28/97-98, dated 20-11-1998, w.e.f. 18-12-1998

3. Application for grant of advance :-

An application for grant of advance under these rules shall be made in Form I to the Sanctioning Authority.

4. The maximum amount of advance admissible to a Member :-

The maximum amount of advance admissible to a member under Section 13-A shall be rupees ¹[two lakhs] for purchase of a motor car and rupees eight thousand for purchase of a motor cycle. ² [Provided that where a member has been sanctioned advance of rupees One lakh before the commencement of the Karnataka Legislature Salaries, Pensions and Allowances (Grant of Advance to the Member of Legislature for purchase of Motor Car of Motor Cycle) (Amendment) Rules, 1997, he shall be entitled to the difference between the enhanced amount and amount already drawn or in exceptional cases, if the member so desires, he may be sanctioned an advance of rupees two lakhs minus the amount due from him on the advance previously drawn by him

1. Substituted for the words "one lakh" by Notification No. ACTS- I/ACT/28/97-98, dated 1-4-1998 and shall be deemed to have come into force w.e.f. 1-9-1997

2. Proviso inserted by Notification No. ACTS-I/ACT/28/97-98, dated 1-4-1998 and shall be deemed to have come into force w.e.f. 1-9-1997

5. Repayment :-

(1) The advance granted to a member under these rules together with interest thereon shall be repaid in such number of equal monthly instalments not exceeding sixty as the Sanctioning Authority may decide in each case. Recovery shall be made by deduction from the salary and other allowances admissible under the Act, to the member. The Sanctioning Authority may, if a member desires, permit the recovery to be made in a lesser

number of instalments. The recovery by deduction from the salary and other allowances shall commence from the month following that in which the advance is drawn.

(2) Simple interest at such rates as may be fixed by the Government from time to time for similar advances sanctioned to the Government servants shall be charged on advances granted under these rules. Interest shall be calculated from the date of drawl of advance, on the balances outstanding.

(3) If a person ceases to be a member of the Legislature for any reason the amount due towards each monthly installment and interest thereon may be deducted from the pension payable to him or such person may repay such amount by remitting in cash in any Government Treasury, and shall produce Treasury challan every month for having so remitted the amount unless where he repaid the entire dues in a lumpsum and produced receipt therefor.

(4) Every member shall, before selling the motor car or motor cycle purchased under these rules, obtain the prior permission of the Sanctioning Authority except when he upon ceasing to be a member has repaid the entire principal amount and the interest thereon due towards the advance.

(5) Where a motor car or motor cycle is sold before the advance is repaid, the sale proceeds must be applied, so far as may be necessary, towards the repayment of outstanding balance of the advance:

Provided that when the motor car or motor cycle is sold in order to purchase another motor car or motor cycle the Sanctioning Authority may permit a member to apply the sale proceeds of old motor car or old motor cycle towards the purchase of a new motor car or a new motor cycle if.

(i) the amount outstanding does not exceed the cost of the new car or new motor cycle;

(ii) the amount outstanding and the interest thereon are being paid regularly at the rate and in such instalments as was fixed at the time of grant of advance; and

(iii) the new car or the new motor cycle so purchased is hypothicated to the Government and is also insured.

(6) A person who ceases to be a member and makes default in

payment of monthly installment of the principal or interest shall on his becoming an insolvent or contravening any of the terms and conditions of the loan, repay at once the whole of the principal amount and the interest there or the balance unpaid.

¹ [(7) In the event of death of a Member before recovery of entire dues towards the advance the entire amount outstanding (both principal and interest) thereon shall be waived.]

(8) The amount of advance to be recovered by monthly instalments shall be fixed in whole rupee except in case of last installment, when the remaining balance including any fraction of rupee shall be recovered.

1. Sub-rule (7) substituted by Notification No. ACTS-I/ACT/28/97-98, dated 1-4-1998 and shall be deemed to have come into force w.e.f. 1-9-1997

6. Negotiations for purchase of motor cycle or motor car :-

(1) A member to whom an advance is sanctioned for the purchase of a motor car or motor cycle shall complete his negotiations for the purchase and shall make final payment for the motor car or motor cycle within one month from the date on which he draws the advance; and failing such completion and payment, the full amount of the advance drawn with interest thereon for the month shall be refunded to the Government. The period of one month for completion or negotiation may, however, be extended by the Sanctioning Authority in any individual case on merits. An advance will not be admissible when a motor car or motor cycle has already been purchased and paid for in full. In a case in which payment has been made in part the amount of advance will be limited to the balance to be paid as certified by the member.

(2) At the time of drawing the advance the member shall execute an agreement in Form II and on completing the purchase he shall further execute a mortgage bond in Form III hypothecating the motor car or motor cycle to the Government as security for the advance. The cost price of the motor car or motor cycle shall be entered in the schedule of "Specifications" attached to the mortgage bond.

(3) When an advance is drawn the Sanctioning Authority shall furnish to the Audit Officer, a certificate that the agreement in Form III has been signed by the member drawing the advance and

that it has been found to be in order. The Sanctioning Authority shall see that the motor car or motor cycle is purchased within two months from the date on which the advance is drawn or within such period as may have been specifically allowed in any individual case by the Sanctioning Authority for completion of the negotiation under sub-rule (1) and shall submit every mortgage bond, promptly to the Audit Officer for examination before being finally kept for record.

(4) The mortgage bond shall be kept in the safe custody of the Sanctioning Authority. When the advance together with the interest thereon has been fully repaid the bond shall be returned to the member duly cancelled after obtaining a certificate from the Audit Officer as to the complete repayment of the advance and the interest thereon.

(5) The motor car or motor cycle purchased with the advance shall be insured against full loss by fires, theft or accident with the General Insurance Corporation of India or any subsidiary company thereto. The insurance policy shall contain a clause by which the Corporation or the subsidiary company agrees to pay to the Government instead of the owner any sums payable in respect of loss or damage to the motor car or motor cycle which is not made good by repair, reinstatement or replacement. Such insurance should be effected within one month from the date of purchase.