

Government of India
Ministry of Finance
Department of Expenditure

**LOK SABHA
UNSTARRED QUESTION NO. 2971**

**TO BE ANSWERED ON FRIDAY, THE 02nd DECEMBER, 2016
AGRAHAYANA 11, 1938 (SAKA)**

INTEREST - FREE ADVANCES

QUESTION

2971. SHRI GUTHA SUKENDER REDDY:

Will the **Minister of FINANCE** be pleased to state:

- (a) whether the Government has decided to stop the interest free advances given to Government employees with immediate effect;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the interest bearing advances had been discontinued; and
- (d) if so, the details thereof and the reasons therefor?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)**

(a) & (b): The Government has decided to abolish eight interest free advances namely Bicycle Advance, Warm Clothing Advance, Advance of Pay on Transfer, Festival Advance, Natural Calamity Advance, Advance of Leave Salary, Advance for Law Suits and Advance for training in Hindi through Correspondence Courses with effect from 07.10.2016. The recommendations of the Seventh Central Pay Commission (7th CPC) that the amount of these advances is quite low and with the increased slay packages these advances have lost their relevance, has been accepted by the Government.

(c) & (d): The Government has discontinued the interest bearing advances for Motor Car Advance and Motorcycle/Scooter/Moped advance based on the recommendations of the 7th CPC, that quite a few schemes for purchase of vehicles are available in the market from time to time and the employees should avail of these schemes.
