



**FINANCE (LOANS & ADVANCES CELL) DEPARTMENT**

**G.O.Ms.No.166, dated 30th March, 2004.**

***Subhanu, Panguni-17, Thiruvalluvar Aandu, 2035.***

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INTEREST – Rate of interest on Loans and Advances by the State Government and Mobilisation Advance to Contractors – Interest rates for the year 2003-2004 – Orders issued.

**READ:**

G.O. Ms.No.394, Finance (Loans & Advances Cell) Department, dated 25-11-2002.

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**ORDER :**

**Government direct that the rate of interest to be charged on various kinds of loans and advances by the State Government during the year 2003-2004 shall be as shown below :-**

Sl. No.	Class of Loan / Advance	Percent per annum for the year 2003-2004
	<b>Loans to Tamil Nadu Electricity Board:</b>	
1.	Plan Schemes	12.00

2.	Other Schemes	14.50
	<b>Loans to Tamil Nadu Housing Board:</b>	
	<b>Hudco assisted:</b>	
3.	Schemes for Economically Weaker Sections	10.50
4.	Other than Economically Weaker Sections (E.W.S.) Scheme	10.75 (10 years term)
5.	Other than Economically Weaker Sections (E.W.S.) Scheme	11.25 (15 years term)
	<b>Life Insurance Corporation assisted:</b>	
6.	L.I.C. assisted Housing Schemes	10.00
7.	Schemes for Economically Weaker Sections (if not Hudco assisted)	10.00
	<b>Loans to Corporation of Chennai, Madurai, Coimbatore, Tiruchi-rappalli, Salem and Tirunelveli and all other Local Bodies:</b>	
8.	For development purposes	12.00
9.	For Ways and Means advances, advances including loans to cover cash deficits	15.50
10.	For Life Insurance Corporation assisted Water Supply Schemes	
	(a) Urban Water Supply Schemes	10.00
	(b) Rural piped Water Supply Schemes	10.00
	<b>Loans to State owned Industrial / Commercial Undertakings / Corporations etc. including Financial Corporations:</b>	
11.	For capital formation and development purposes	13.00
12.	For Working Capital Support	15.50
13.	For Ways & Means advances, advances including loans to cover cash deficits	15.50
	<b>Loans to Co-operative Institutions and Banks:</b>	
14.	Co-operative Marketing Societies for construction of godowns.	13.00
15.	Co-operative Societies and individual acquisition of house sites sanctioned by the Adi-Dravidar and Tribal Welfare Department	13.00
16.	Co-operative Societies ( other than Societies for Communities eligible for help by the Adi-Dravidar and Tribal Welfare Department )	13.00

	including loans to Co-operative Banks and Land Development Banks	
	<b>Advances to Cultivators:</b>	
17.	Small farmers	9.00
18.	Others	14.50
	<b>Loans for Food Procurement:</b>	
19.	Tamil Nadu Civil Supplies Corporation	12.00
20.	Tamil Nadu Co-operative Milk Producers' Federation	14.50
	<b>Mobilisation Advance:</b>	
21.	Mobilisation advance made to Contractors	15.50
	<b>Loans to Government Servants:</b>	
22.	<b>House Building Advance:</b>	
	(a) For loans upto Rs.50,000/-	5.00
	(b) For loans from Rs.50,001/- to Rs.1,50,000/-	6.50
	(c) For loans from Rs.1,50,001/- to Rs.5,00,000/-	8.50
	(d) For loans from Rs.5,00,001/- to Rs.7,50,000/-	9.50
23.	<b>Conveyance Advance:</b>	
	(a) For purchase of Motor car	11.50
	(b) For purchase of Motor Cycle / Scooter	8.00
	(c) For purchase of Bi-cycle	5.50
24.	<b>Other Personal Loans to Government Servants:</b>	
	(a) For purchase of Computer	10.00
	(b) Others	10.00
	<b>Penal Interest:</b>	
25.	Penal Interest	2.75

**The above rates shall take effect from 1st April 2003.**

- 2. The rates of interest are general and will not apply to cases where reduced rates of interest have been sanctioned specially by the Government or where loans have been sanctioned by the Government free of interest. The Government may also sanction Ways and Means advances at special rates of interest taking into account, the cost of borrowing of the Government.**
- 3. The mobilisation advances to Contractors for World Bank assisted Projects wherein the standard bidding documents provide for exemption from paying of interest are however exempted from payment of interest.**
- 4. The penal interest on all overdue instalments of principal and interest will be at 2.75 per cent more than the normal rates of interest per annum. There shall be no penal interest for Takkavai Loans.**
- 5. The rates of interest for 2003-2004 for loans under Special Laws (State Aid to Industries Act) will be fixed by the Government in Industries Department and communicated separately.**
- 6. Except in the case of loans to Government Servants, interest in all cases unless specifically indicated otherwise, should be paid every Calendar quarter on the outstanding balance.**
- 7. Even at the stage of sanction of loan, in the sanction order, the period of repayment, rate of interest and schedule of repayment with dates shall be indicated. In case, it is a permanent loan, a specific mention of this fact should be made in the sanction order itself.**

**(BY ORDER OF THE GOVERNOR)**

**N. NARAYANAN,  
DEVELOPMENT COMMISSIONER &  
SECRETARY TO GOVERNMENT.**

**To**

**All Departments of Secretariat, Chennai 600009.**

**All Heads of Department.**

**All Pay and Accounts Officers / Treasury Officers.**

**All District Collectors.**

**The Principal Accountant General (Audit-I), Chennai 600018. (10 copies)**

**The Principal Accountant General (Audit-I), Chennai 600018. (By name)**

**The Accountant General (A&E), Chennai 600018. (10 copies)**

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**The Accountant General (CAB), Chennai 600009.**

**The Engineer-in-Chief and Chief Engineer(General), W.R.O, Chepauk, Chennai 600005.**

**The Chief Engineer(Plan Formulation), W.R.O., Chepauk, Chennai 600005.**

**The Chief Engineer(Operation & Maintenance), W.R.O., Chepauk, Chennai 600005.**

**The Chief Engineer(D.R.C.S.), Water Resources Organisation, Chepauk, Chennai 600005.**

**The Chief Engineer, Chennai Region, W.R.O., Chepauk, Chennai 600005.**

**The Chief Engineer, Ground Water, Taramani, Chennai 600113.**

**The Chief Engineer & Director, Institute of Water Studies, Taramani, Chennai 600113.**

**The Chief Engineer (Buildings), Public Works Department, Chepauk, Chennai 600005.**

**The Chief Engineer, National Highways, Chepauk, Chennai 600005.**

**The Chief Engineer (General), Highways, Chepauk, Chennai 600005.**

**The Chief Engineer (Highways), Project-I, Alandur, Chennai 600016.**

**The Chief Engineer (Highways), Project-II, Panagal Buildings,  
Saidapet, Chennai 600015.**

**The Chief Engineer (Highways), Rural Roads, Guindy, Chennai  
600025.**

**The Chief Engineer (Highways), Mechanical, Guindy, Chennai 600025.**

**The Project Director, Tamil Nadu Road Sector Project, Guindy,  
Chennai 600025.**

**The Chief Engineer (Highways), Designs & Investigation, Guindy,  
Chennai 600025.**

**The Director, Highways Research Station, Guindy, Chennai 600025.**

**The Chief Engineer (Highways), NABARD, Chennai 600032.**

**The Principal Chief Conservator of Forests, Panagal Buildings,  
Saidapet, Chennai 600015.**

**The Commissioner, Corporation of Chennai / Madurai / Coimbatore /  
Tiruchirappalli / Salem / Tirunelveli.**

**All State Government owned Corporations / Boards / Public Sector  
Undertakings.**

**Copy to :**

**The Industries Department, Chennai 600009.**

**All Officers / Sections in Finance Department, Chennai 600009.**

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**/ Forwarded by order /**

**SECTION OFFICER.**