

GOVERNMENT OF TAMIL NADU

Letter No.15373/Per-A/92-2,
Personnel and Administrative
Reforms (Per-A) Department,
Secretariat, Madras-600 009.

Dated : 26.2.1992.

From

THIRU.T.V. VENKATARAMAN, I.A.S.,
Chief Secretary to Government.

To

All Secretaries to Government, Madras-600 009.
All Heads of Departments including Collectors, District Judges/Chief Judicial
Magistrates.
The Secretary, Tamil Nadu Public Service Commission, Madras-600 002.
The Registrar, High Court, Madras-600 102.
The Registrar, Tamil Nadu Administrative Tribunal, Madras-600 006.
The Registrar of Co-operative Societies, Madras-600 005.
The Chief Executive Officer, Tamil Nadu Khadi & Village Industries Board, Madras-
600 108.
The Managing Director, Tamil Nadu Small Industries Corporation Ltd., Madras.

Sir,

Sub : Public Services – Government servants – Availing of Housing Loan
from Public Sector undertakings
including companies and Banks through office – Instructions – Issued.

Ref :1. Government Lr.No.92440/90-1, P.&.A.R. (Per-A) Department,
Dated 1.11.1990.
2. Government Lr.No.5557/91-1, P.&.A.R. (Per-A) Department, dated
25.1.1991.

As per the instructions issued in the Government letter first cited, the Departments of Secretariat / Heads of Departments should ensure that Office Procedure / Establishment sections under them do not involve themselves in financial transactions of Government servants by giving undertakings etc. for recovery of monthly installments, except in the case of loans obtained from Co-operative Banks, Co-optex and Tamil Nadu Khadi and Village Industries Board which are extending credit facilities. Subsequently, in the Government letter second cited, it was ordered that the instructions issued in para 2 of the Government letter first cited will not apply to Tamil Nadu Small Industries Corporation Limited also.

2. In view of the inadequacy of housing loans allowed by Government to its employees and the high and escalating cost of real estate it was considered that an exception to the orders issued in the Government letter first cited be made in respect of loans for housing purposes. To ease this situation, if loan installments and interests are permitted to be recovered from salaries, financial institutions will show greater interest in sanctioning loan. This will also reduce the pressure on the Government to provide housing loans. The matter was discussed at the monthly meeting of Secretaries to Government held on 26.11.1991. The suggestion was agreed to in principle. It was felt to restrict the provision initially to the Public Sector Undertakings including the companies and Banks and that flats may also be covered by the scheme.

3. Accordingly, in partial modification of the instructions in para 2 of the Government letter first cited, the Government direct that the instructions contained in the letter first cited will not apply to housing loans afforded by the Public Sector Undertakings including the companies and the Banks either for constructions of a house or for the purchase of a ready built flat.

4. Orders regarding the modalities and the procedure to be followed in the matter will be issued separately from the Finance Department.

Yours faithfully,

(Sd.)

M.SIVAGURU,

for Chief Secretary to Government.