

GOVERNMENT OF TAMIL NADU

Personnel and Administrative
Reforms (Per.A) Department,
Secretariat, Madras-600 009.

Letter No.96621/Per-A/93-1, Dated : 29.12.1993.

From

Thiru.M. Ahmed, I.A.S.,
Secretary to Government.

To

All Secretaries to Government.
Departments of Secretariat.
All Heads of Department including all Collectors/District Judges/Chief Judicial
Magistrates.
The Secretary, Tamil Nadu Public Service Commission, Madras-600 002.
The Registrar, High Court, Madras-104.
The Registrar of Co-operative Societies, Madras-5.
The Chief Executive Officer, Tamil Nadu Khadi and Village Industries Board,
Madras-108.

Sir,

Sub : Government servants – Availing of consumer/Personal loan from
Private agencies through office – Clarifications – Issued.
Ref : Government Letter No.92440/90-1, Personnel and Administrative
Reforms (Per-A) Department, dated 1.11.1990.

In the letter cited, all Secretaries to Government and Heads of Department were requested to ensure that Office Procedure/Establishment Sections of their offices do not involve themselves in financial transactions of a private nature by giving undertaking for recovery of monthly instalments to private/nationalized/banks/financial/commercial institutions for availing 'consumer loan' by Government servants.

2. A point has now arisen whether the instructions issued in the letter cited will also apply to availing of 'personal loan' from the private/nationalised banks/financial/commercial institutions by Government servants. The Government consider that 'consumer loan' is one meant for acquisition of specified consumer durables. 'Consumer loan' is secured by the pledge of assets and there is also a partial contribution by the loanee. It, therefore, enables the acquisition of an asset. 'Personal loan' is not with reference to any specified purpose. It is an unsecured loan and is often taken for consumption needs. It may or may not lead to asset formation which will depend on the use, the loanee puts it to. When even 'consumer loans'

(which lead to asset formation) are not encouraged, it is not desirable to encourage 'personal loans'. Accordingly, it is hereby clarified that the instructions issued in para 2 of the Government letter cited will also apply to availing of 'personal loan' by Government servant from the private/nationalized banks/financial/ commercial institutions.

Yours faithfully,
(Sd.) **A. SURIYAKUMARI.**
For SECRETARY TO GOVERNMENT.