34994/98/MCB4

Office of the Commissioner of Municipal Administration, Chepauk, Chennai.5

dated 22.10.98.

INCULAR

\Sub: TNUDF - Loans sanctioned by MUDF to Municipalities and also loans outstanding as on 30.9.96 and partly disbursed loans - Govt. guarantee for repayment - Orders issued- Reg.

Ref: G.O.Ms.No. 588 Finance (Letter of credit) Department dated 9x1x 9.10.98.

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A copy of the G.D. cited is communicated herewith. Under the Municipal Urban Development Fund, the outstanding loam (principal, interest and other charges) as on 30.9.96 worked out to Th Rs. 15799.00 lakhs. In respect of schemes of local bodies for which part disbursements were made by the then MUDF prior to 30.9.96 and the balance disbursement made after 30.9.96 worked out to Rs. 294.10 lakhs. Similarly, in respect of schemes of local bodies for which schemes were sanctioned after 30.9.96 under MUDF and loan disbursed thereafter worked out to Rs. 430.22 lakhs. Hence, the total outstanding logns sanctioned to log1 bodies under MUDF worked out to ks. 16483.32 lakhs.

2. While issuing orders in the G.O. cited, providing guarantee for the repayment of the total loan, Government have directed that a Guarantee Commission of 10% (half a percent) per annum be charged from the Municipalities on he outstanding guaranteed amount once in every half year. ' The Guarantee Commission has to be remitted into Government ccount under the following Head:

> "K.Deposits and advances - (b) Deposits not bearing interest - 8443-00 - Civil deposits - 800 - Other deposits - AN- Guarantee Fund (DFC 8443 00 800 0007)"

3. The half yearly annuity on the outstanding oan amount under MUDF shall be remitted to TNUDF as usual nd as per instructions already issued in the matter through emand Draft. The Guarantee Commission shall be paid through reasury Challan into Government Account under the Head entioned above and the fact intimated both to Chief Executive fficer, TNUDF and this office along with a xerox copy of the reasury Challan.

- 4. Half yearly report regarding the payment of annuity to TNUDF and Gurantee Commission into Government Account should be sent to this office on or before. 15th October and 15th April every year. The Regional Directors of Municipal Administration are requested to watch the repayment of loan to TNUDF as well as remittance of @wxxx Guarantee Commission into Government Account in time and send consolidated report on or before 20th October and 20th April every year.
- 5. The receipt of this circular should be acknowledged.

Sd. Sanwat Ram, for Commissioner.

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All Commissioners of Municipalities.

All Commissioners of Corporations.

All Regional Director of Municipal Administrations.

Copy to LA Section for watching the repayment and maintaining proper registers therefor

Copy to Financial Adviser. spare.5.

forwarded/by order

Pobnon Orminand Superintendent. 28/10/99