

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

dated 22.10.98.

CIRCULAR

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 9.10.98.

A copy of the G.O. cited is communicated herewith. Under the Municipal Urban Development Fund, the outstanding loan (principal, interest and other charges) as on 30.9.96 worked out to 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 loans sanctioned to local bodies under MUDF worked out to Rs. 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 1/2% (half a percent) per annum be charged from the Municipalities on the outstanding guaranteed amount once in every half year. The Guarantee Commission has to be remitted into Government account under the following Head:

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

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

