

Copy of:

GOVERNMENT OF TAMIL NADU

Finance (LC) Department

G.O. No.803, 24th July, 1985.

(Aadi 9, Kuruthana, Thiruvalluvar Aandu-2016)

Interest - Rates of interest on loans and advances by the State Government - Interest rates for the year 1985-86 - Orders Issued.

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READ - the following paper:-

G.O.No.547, Finance, dated 9th August 1984.

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Order - No.803, Finance (LC), dated 24th July 1985, Aadi 9 Kuruthana, Thiruvalluvar Aandu - 2016.

Government direct that the rates of interest to be charged on various kinds of loans and advances by Government during the year 1985-86 be as shown below. These rates will take effect from the 1st April 1985.

| Class/Loan/Advance | Percent per annum for the year 1985-86. |
|---|---|
| 1 | 2. |
| 1. Advances to cultivators -- | |
| i) For small farmers | 10.5 |
| ii) For others | 12 |
| 2. Loans to Tamil Nadu Electricity Board-- | |
| i) Plan Schemes | 8.5 |
| ii) Other schemes | 11 |
| 3. Loans to Tamil Nadu Housing Board-- | |
| i) Schemes for economically weaker sections | 7 |
| ii) Low income group and other low cost housing schemes | 9 |
| iii) Middle-income group and other loans | 12 |
| iv) Life Insurance corporation assisted Housing Schemes | 11 |
| 4. Loans to Corporations of Madras, Madurai, Coimbatore Municipalities and all other Local Bodies. | |
| i) For development purposes | 9 |
| ii) For ways and means advances, advances including loans to cover deficits. | 13.5 |
| iii) For remunerative enterprises | 13.5 |
| iv) For Insurance Corporation assisted Water Supply schemes | |
| a) Urban Water-Supply scheme | 9.75 |
| b) Rural Piped water-supply scheme | 10.0 |
| 5. Loans to State owned Industrial/Commercial Undertakings/Corporation etc. including Financial Corporation-- | |
| a) For Financial Corporation -- | |
| i) Working capital loans/ways and means advances/loans to cash deficits | 16 |
| ii) For other purposes | 12.5 |

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| | |
|---|-------------------------------------|
| b) For other Corporations-- | |
| i) Working capital loans/ways and means advances/loans to cash deficits | 16 |
| ii) For other purposes | 12.5 |
| iii) For purpose of promotional activities | 7.5 to 9 |
| | (Depending upon the period of loan) |
| 6) Loans to Co-operative Institutions and Banks-- | |
| a) Co-operative Marketing Societies and Rural Credit Societies for construction of Godowns | 10.5 |
| ii) Co-operative Societies and individual acquisition of house sites sanctioned by the Harijan Welfare Department. | 10.5 |
| iii) Co-operative Societies for commodities eligible for help by the Harijan Welfare Department) including loan to Co-operative Banks and Land Development Banks. | 11.5 |
| 7) Loans to Government Servants-- | |
| i) For House Building Advances-- | |
| a) For loans upto Rs.50,000 | 7 |
| b) For loans from Rs.50001 to Rs.90000 | 8 |
| c) For loans from Rs.90001 to Rs.130000 | 9 |
| d) For loans from Rs.130001 to Rs.175000 | 10 |
| ii) Conveyance Advance-- | |
| a) For purchase of motor car | 9.5 |
| b) For purchase of motor cycles, scooters and bicycles | 8 |
| 8. Loans for feed procurement.. | |
| i) Tamil Nadu Civil Supplies Corporation | 12.5 |
| ii) Tamil Nadu Co-operative Milk Producer's Federation | 12.5 |

2. The rates of interest are general and will not apply to cases where reduced rates of interest have been sanctioned specially by Government or where loans have been sanctioned by Government free of interest. Government may also sanction ways and means advances at special rates of interest taking into account the cost of borrowing of government.

3. The penal interest on all overdue instalments of principal and interest will be 2 percent more than the normal rates per annum. There shall be no penal interest for takkavi loans.

4. The rates of interest for 1985-86 for loans under special laws (State Aid to Industries Act) will be fixed by Government in the industries Department and communicated separately.

5. Except in the case of loans to Government servants interest in all cases unless specially indicated otherwise should be paid every calendar quarter on the outstanding balance.

6. Even at the stage of sanction of loan, the period of repayment and rate of interest should be indicated if it is a loan which Government expects to be repaid. 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/

C. RAMACHANDRAN

Commissioner and Secretary to Govt.

/ true copy/

Office of the Tamil Nadu Institute of Urban Studies, Coimbatore-11.

R.F.6/85(2622/85) Dt. 26/10/85.

Copy communicated to all faculty members,

Copy to A1(SF) A2 & Manager.

Copy to Director's table.

/forwarded/by order/

Sd/x (K. Janardhanam)
Director.

v.r./15/10

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16/10/85

MANAGER.