



Finance (LC) Department,
Secretariat, Chennai - 600 009.

Letter No.65363/ Fin.(LC)/ 2009-3, dated 1-10-2010.

From
Dr. VIJAY PINGALE, I.A.S.,
Deputy Secretary to Government (Budget)

To
The Director of Municipal Administration,
Chepauk,
Chennai-600 005.

Sir,

Sub: Automatic resetting of loan sanctioned/ released
at fixed rate of interest after five years on
1.1.2010 - New Consolidated Scheme Nos.
70005/ 70101/ 70099/ 17841/ 70098/ 70100/
70102 - Prepayment of outstanding loans -
Proposals Called for.

- Ref: 1. From HUDCO, Chennai-8, Letter No.
HUDCO/ CHRO/ 13/ GOIN/ DEMAND/
8443, dated 16.2.2010.
2. Government Letter No.9144/ Fin.(LC)/2009,
dated 23.2.2010.
3. From HUDCO, Chennai-8, Letter No.
HUDCO/ CHRO/ 13/ GOIN/ DEMAND/
1563, dated 4.5.2010.
4. Government Letter No.25380/ Fin.(LC)/
2010, dated 12.5.2010.
5. From HUDCO, Chennai-8, Letter No.
HUDCO/ CHRO/ 13/ GOIN/ DEMAND/
2681 to 2688, dated 2.8.2010.
6. Government Letter No.44429/ Fin.(LC)/
2010, dated 5.8.2010.

I am to invite your kind attention to the references cited, wherein, HUDCO's demand letters towards quarterly repayment of principal together with interest dues for the quarters ending 28.2.2010, 31.5.2010 and 31.8.2010 have been communicated for making necessary payment to HUDCO after verifying the outstanding balances and interest calculations made by HUDCO at your end.

2) It is a fact that HUDCO had automatically reset the interest rate for the loans obtained earlier under 'fixed rate' category from 8.25% to 9.75% with effect from 1.1.2010 and at the same time, Government too has the option to prepay the outstanding loan without prepayment charges as per the provisions contained in the agreement as amended. Therefore, Government has decided to prepay the outstanding balances as on 1.9.2010 together with interest due till the date of prepayment, without any prepayment charges.

3) In view of the position stated above, I am to request you to send necessary proposals for prepayment of the outstanding loan dues to HUDCO as on 1.9.2010 duly taking into consideration the budget appropriation available for the current financial year 2010-2011 under the respective repayment and interest payment heads of account. In addition, necessary particulars should be furnished in the format enclosed with this letter.

4) This may be treated as 'MOST URGENT' and the proposals should reach the Government on or before 8.10.2010 without fail.

Yours faithfully,

U. Amarthang

for DEPUTY SECRETARY
TO GOVERNMENT (BUDGET)

8/10/2010

**FORMAT FOR FURNISHING DETAILS OF LOANS OUTSTANDING
DUE TO HUDCO AS ON 1.9.2010**

| | | | |
|-----|---|---|--|
| 1. | NAME OF DEPARTMENT | : | |
| 2. | SCHEME NO. | : | |
| 3. | CONSOLIDATED SCHEME NO. | : | |
| 4. | TOTAL LOAN RECEIVED | : | |
| 5. | LOAN OUTSTANDING AS ON 1.9.2010 AS PER DEPARTMENT'S ACCOUNTS | : | |
| 6. | LOAN OUTSTANDING AS ON 1.9.2010 AS PER HUDCO'S DEMAND SCHEDULE FOR THE QUARTER ENDING 31.8.2010 | : | |
| 7. | HEAD OF ACCOUNT FOR REPAYMENT OF THE LOAN | : | |
| 8. | AMOUNT PROVIDED IN B.E. 2010- 2011 TOWARDS PRINCIPAL REPAYMENT | : | |
| 9. | ADDITIONAL APPROPRIATION REQUIRED TOWARDS PREPAYMENT OF OUTSTANDING LOAN AS ON 1.9.2010 | : | |
| 10. | HEAD OF ACCOUNT FOR PAYMENT OF INTEREST | : | |
| 11. | AMOUNT PROVIDED IN B.E. 2010- 2011 TOWARDS INTEREST PAYMENT | : | |
| 12. | ADDITIONAL APPROPRIATION IF ANY REQUIRED TOWARDS INTEREST PAYMENT | : | |
| 13. | REMARKS (If the outstanding loan details in Sl.No.5 and 6 do not tally, state reasons for the same and indicate action taken to reconcile the same) | : | |

V. Amritan
SECTION OFFICER

11/9/2010