



ABSTRACT

Tamil Nadu Housing Board – Construction of Multi-storied Residential flats in Paiyanur Village, Kancheepuram District for Tamil Nadu Film Employees Co-operative Housing Society by availing financial assistance by Tamil Nadu Housing Board from HUDCO and refinancing to Tamil Nadu Co-Operative Housing Federation Limited – Review of the scheme - Revised Orders – Issued.

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Housing & Urban Development (HB 4(1)) Department

G.O.(Ms.) No.109

Dated: 3.8.2011.

Read:

1. G.O.(Ms).No.232, Housing and Urban Development (HB4(1)) Department, dated 25.10.2010.
2. G.O.(Ms).No.13, Finance (L&A Cell) Department, dated 08.01.2011.
3. From the Chairman and Managing Director, Tamil Nadu Housing Board, Chennai-35, letter No.PW/39929/ 2010, dated 05.07.2011.

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ORDER:

In the G.O. first read above, orders have been issued permitting the Tamil Nadu Housing Board to enter into an agreement with Housing and Urban Development Corporation to obtain loan for the construction of Multi-storied Residential flats to Tamil Nadu Film Employees Co-operative Housing Society at Paiyanur Village, Kancheepuram District with certain functional arrangements subject to the following conditions: -

- i) The members of Tamil Nadu Film Employees Co-operative Housing Society should bring minimum of 25% of their contribution as margin money.
- ii) The release of loan by Tamil Nadu Housing Board to Tamil Nadu Cooperative Housing Federation should be in stages depending upon progress of work.
- iii) Modification of Tamil Nadu Co-operative Housing Federation margin at 0.25% instead of 0.50% proposed, as their risk is very limited.

2. In the G.O. 2nd read above, orders have been issued to sanction guarantee to the Tamil Nadu Housing Board for Rs.492.49 Crore for the purpose of availing loan from HUDCO for the construction of multi-storied Residential flats for members of the Tamil Nadu Film Employees Co-operative Housing Society at Paiyanur Village, Kanchipuram District and the agreement

was executed by Deputy Secretary to Government, Finance Department in favour of HUDCO.

3. The Managing Director, Tamil Nadu Housing Board in his letter third read above, has reported that difficulties in implementing the orders in this case as the Tamil Nadu Housing Board is only a refinancing agency in this scheme to obtain loan from HUDCO as HUDCO was not willing to grant financial assistance to Tamil Nadu Co-operative Housing Federation Limited in view of the default of earlier loans. The land belonging to Government, has been allotted to Tamil Nadu Film Employees Co-operative Housing Society and not to the Tamil Nadu Housing Board. But the Tamil Nadu Housing Board has to repay the loan to HUDCO based on the agreement. The Tamil Nadu Housing Board does not have manpower to implement the scheme for which Tamil Nadu Housing Board has to maintain separate accounts, pay interest to HUDCO on the due dates and then collect the money from beneficiaries through TNFECHS which would be a difficult task considering the nature of employment in the Tamil Nadu Film Industry. Tamil Nadu Housing Board has also to pay guarantee fees of 0.5% to Government (half yearly) on outstanding loan since repayment of loan has been guaranteed by the State Government. The Tamil Nadu Housing Board has informed that this scheme may be implemented as a Self Financing Scheme. The present project has to be reworked on the pattern of self financing scheme of Tamil Nadu Housing Board where no loan would be required from HUDCO and the entire scheme would be financed by the beneficiaries through periodical payment. The Managing Director, Tamil Nadu Housing Board has requested the Government to review the scheme and to examine under Self Financing Scheme mode followed by the Tamil Nadu Housing Board and issue suitable orders in the matter.

4. The Government after careful examination have decided to accept the proposal of the Managing Director, Tamil Nadu Housing Board and accordingly cancel the G.O. first read above, in which permission is granted to the Tamil Nadu Housing Board to enter into an agreement with HUDCO to obtain loan for the construction of Multi-storied Residential flats to Tamil Nadu Film Employees Cooperative Housing Society at Paiyanur Village, Kancheepuram District. The Tamil Nadu Tamil Nadu Film employees Co-operative Housing Society Employees Co-Operative Housing Society may approach the Tamil Nadu Housing Board to implement the scheme under Self-Financing scheme mode.

5. This order issues with the concurrence of the Finance Department vide its U.O.No.37302/L&A.cell/2011 Dated 21.7.2011.

(BY ORDER OF THE GOVERNOR)

K. PHANINDRA REDDY,
SECRETARY TO GOVERNMENT.

To
The Managing Director,
Tamil Nadu Housing Board, Chennai-35.

The Joint Secretary, Housing, Government of India, New Delhi.
The Special Officer,
Tamil Nadu Co-Operative Housing Federation Ltd., Chennai-7.
Tamil Nadu Film Employees Cooperative
Housing Society, Chennai. through the Special Officer,
Tamil Nadu Co-Operative Housing Federation Ltd., Chennai-7.
The Executive Director, Housing & Urban Development Corporation,
No.1, Gandhi Irwin Road, 5th floor, CMDA Tower, Egmore, Chennai-8.

Copy to:

The Private Secretary to Secretary to Government,
Finance Department, Chennai-9.
The Private Secretary to Chief Secretary to Government, Chennai-9.
The Private Secretary to Secretary to Government,
Housing and Urban Development Department, Secretariat, Chennai-9.
SF/SC.

/FORWARDED/BY ORDER/

SECTION OFFICER.