



**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

APGLI Department – Sanction of Loan to Policyholders on their polices – Collection of expected interest of Loan – Orders - Issued.

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**FINANCE (ADMN.II) DEPARTMENT**

**G.O.MS.No. 74**

**Dated:18-06-2015**

**Read the following:**

1. Circular Memo. No. 707/119/A2/Admn-II/2013, dt: 21-06-2013
2. Lr. No. 1/Genl/2014-15, dt: 24-02-2015 of the Director of Insurance, A.P. Hyderabad.

**ORDER:**

In the reference 1<sup>st</sup> read above, Government have instructed the Drawing & Disbursing Officers to collect the interest on APGLI Loans shall be deducted after the Principal amount has been fully recovered, calculating the same at the interest rate as informed by the Director of Insurance in the deduction orders in one or more instalments not exceeding (10) monthly instalments.

2. In the reference 2<sup>nd</sup> read above, the Director of Insurance (FAC), has informed that most of Drawing & Disbursing Officers are not deducting the interest amount after completion of Principal, they are deducting Principle amount only. This type of issue is causing loss to the APGLI Fund and interim to subscriber. The Accountant General, Andhra Pradesh also pointed out that the delay in recovery of interest on Loans resulting heavy loss to the Fund Account. Therefore, the Director of Insurance has requested the Government to accord permission to calculate the accruable amount of interest due, at the time of sanction of loan itself and total amount arrived thereon (Principal loan +Interest) should be deducted in Equated Monthly Instalments (EMI), from the subscriber's salary and also instructions may please be issued to all the Drawing & Disbursing Officers to effect recovery of EMI amounts as per the specified instalments promptly.

3. Government after careful examination of the proposal of the Director of Insurance (FAC), A.P., Hyderabad hereby accord permission to calculate the expected amount of simple interest on diminishing balance method at the time of sanction of loan itself, fix the E.M.I., and inform the same to the concerned Drawing and Disbursing Officers duly requesting them to recover the same which will be consisting of principal and interest. The Director of Insurance shall see that any excess or less amount of interest so recovered is accounted and adjusted at the time of subsequent loan or settlement of claim.

**PTO**

**:: 2 ::**

4. The Director of Insurance (FAC), A.P., Hyderabad shall take necessary action in the matter accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K. SUNITHA  
SECRETARY TO GOVERNMENT (B&A)**

To  
The Director of Insurance, A.P, Hyderabad  
The Accountant General, A.P, Hyderabad  
Copy to:  
All the Secretariat Departments, A.P., Hyderabad  
All the HoDs of A.P., Hyderabad.

**//FORWARDED:: BY ORDER//**

**SECTION OFFICER**