

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3107
ANSWERED ON:16.03.2010
SETTLEMENT OF LOAN FOR VILLAGE INDUSTRIES UNITS
Kodikunnil Shri Suresh

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Union Government has received any request from the Kerala Government with regard to one time settlement of loan for village industries units under Consortium Bank Credit Scheme;
- (b) if so, the details thereof and the reaction of the Government thereto; and
- (c) the time by which a final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) & (b): A suggestion was received from the Government of Kerala for introduction of a scheme to waive off loans given under Consortium Bank Credit (CBC) Scheme outstanding against the village industries institutions. As substantial amount was already advanced under Pattern as well as CBC schemes to these institutions, unless a practical strategy of revival and restructuring of the institutions is put in place, a scheme of waiver alone is not likely to be effective and helpful for their revitalization. Accordingly, a study had been commissioned by this Ministry through the Office of the Chief Adviser Cost, Department of Expenditure, following whose report, an Expert Group is under constitution for considering an appropriate strategy for addressing their problems.

(c): No definite time frame can be indicated at this stage.