



ABSTRACT

Micro, Small and Medium Enterprises – State Aid to Industries, Rural Industries Project and Margin Money Assistance Loans sanctioned – Waiver of the Penal Interest – Orders – Issued.

Micro, Small and Medium Enterprises (D2) Department

G.O.(D).No.17

Dated:24.02.2015

திருவள்ளூர் ஆண்டு 2046

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Read:-

The Principal Secretary/ Industries Commissioner and Director of Industries and Commerce letter No.22092/ L1/2005, dated.21.04.2005 and 13.01.2014.

ORDER:-

The Principal Secretary/ Industries Commissioner and Director of Industries and Commerce has stated that while moving Demand No. 42, relating to Small Industries for the year 2005 – 06, the then Hon'ble Minister (Rural Industries) made the following announcement on the Floor of the Legislative Assembly:

“The State Aid Loans, Rural Industries project Loan and Margin Money Assistance granted in 1957, 1979 and 1987 to encourage Small Industries in rural and urban areas remain in arrears for a very long time. As the major portion of the arrear amount is penal interest, requests for waiver of penal interest have been received. The Government considered those requests sympathetically and decided to collect the principal amount of Rs.2.39 crores and interest of Rs.60 lakhs thereon. Due to this decision 11899 entrepreneurs will be benefited. According to this scheme, the penal interest of Rs.4.96 crores payable by the entrepreneurs will be waived”.

2. The Principal Secretary / Industries Commissioner and Director of Industries and Commerce has sent proposal indicating the details of loans outstanding, interest and Penal Interest as on 01.04.2013 as detailed below:

| Name of the Loan | Balance outstanding as on 01.04.2013 with accrued Penal Interest | | | |
|------------------|--|----------|--------------------|----------|
| | Principal | Interest | P e n a l Interest | Total |
| RIP Loan | 14675186 | 3398580 | 46178249 | 64252015 |
| SAI Loan | 4332547 | 1042511 | 14078951 | 19454009 |
| MMA Loan | 1933821 | 930208 | 8028327 | 10892356 |
| Total | 20941554 | 5371299 | 68285527 | 94598380 |

3. The Government after careful consideration of the proposal of Principal Secretary/Industries Commissioner and Director of Industries and Commerce decided to waive the penal interest amount of Rs.6,82,85,527/- (Rupees six crore eighty two lakh eighty five thousand five hundred and twenty seven only) to be paid by the entrepreneurs who have availed the above three loans and to issue the following orders:

- i. to direct that those who have availed State Aid Loans the Rural Industries Project and Margin Money Assistance loans and repay the principal and interest within the period of 6 months from the date of issue of this order, the penal interest payable by them is to be waived.
- ii. to direct that those who do not repay the principal and interest within the period of 6 months referred to above, will have to pay the entire amount including penal interest.
- iii. No further waiver proposals will be entertained.

4. This order issues with the concurrence of Finance Department vide its U.O.No. 8949/ IND/ 2015 Dated 23.02.2015.

(BY ORDER OF THE GOVERNOR)

**KUMAR JAYANT
SECRETARY TO GOVERNMENT**

To
Principal Secretary/Industries Commissioner and Director of Industries and Commerce, Chennai-28
The Accountant General, Chennai-6/18
The Pay and Accounts Officer, Chennai - 8.
Copy to:- The Finance (Ind) Department, Chennai-9
Sc/Sf

// FORWARDED BY ORDER //

UNDER SECRETARY TO GOVERNMENT.