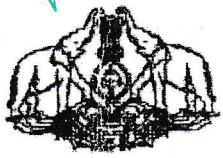


2010/1342/9

*1/ Ask the Malappuram
to convey decisions to entrepreneurs
and bank officials. Let him
convene a meeting to sort out
the issues and implement
the h.o.*



GOVERNMENT OF KERALA
(Abstract)

Information Technology Department – Akshaya- One time settlement of loan taken by Akshaya Entrepreneurs in Malappuram District –sanction accorded – Orders Issued.

INFORMATION TECHNOLOGY (C) DEPARTMENT

G.O.(MS)No.6/2010/ITD Dated,Thiruvananthapuram,19.02.2010

- Read:- 1. GO (MS)22/2002/ITD Dated 21/11/2002
- 2. GO (RT) No 41/09/ITD Dated 2/03/2009

ORDER

As per GO read as 1st paper above a project, entitled "Bridging the Digital Divide (later called Akshaya Project)" was launched by Government of Kerala in 2002 as a programme aimed towards bridging the digital divide. As per the said project, it was conceived that each Community Technology Centre (later called Akshaya Centres) will have catchments of about 600-750 households. The objective was that at least one person in every family will be made IT literate. It was also decided that community technology centres will be spatially distributed throughout developed within 2 kms radius of any household. A total of 9000 community technology centres were conceived. The estimated investment in each Akshaya centre was Rs.5 lakhs. Each Akshaya centre was expected to provide employment to 5 persons per centre. While the project was approved for the whole state, it was also decided that in the first phase, the project will be taken up in Malappuram and Thiruvananthapuram districts. However, the project was taken up in Malappuram District only in the first phase.

- 2. In Malapapuram district, 617 Akshaya centres were set up as per the above sanctioned project. To facilitate and encourage Akshaya entrepreneurs to set up these Centres, the Government facilitated the raising of bank loans by the entrepreneurs. Based on the noble objectives of the project, four banks viz State Bank of Travancore, Canara Bank, South Malabar Grameen Bank and Malappuram District Cooperative Bank provided loans to the Akshaya entrepreneurs without collateral security.

3 The Akshaya centres were not viable with the income earned by the entrepreneurs from IT literacy drive. Meanwhile, the Banks moved for a recovery action against a few entrepreneurs. Since large number of Akshaya centres (over 617 nos) were started in that district. Such large number of Akshaya centres could not be sustained and about half of them closed down. In subsequent districts, Government recognized this difficulty and ordered that an Akshaya centre be opened only for every 2000 households. The Akshaya entrepreneurs in Malappuram who were unable to repay the loan represented to Government and the Government after considering the matter in detail, decided to stay the revenue proceedings initiated against the Akshaya centres until further orders as per the Government Order read as 2nd paper above.

4 However, the issue of defaulted loan remained. The Government has considered the matter and held discussions with all concerned including the Banks and the Akshaya entrepreneurs. It is noted that as per GO(Ms)22/2002/ITD dated 21.11.2002 the Government had agreed to open Akshaya centre for every 600-750 household leading to unsustainable large number of Akshaya centres and several of these had to be closed. In other districts, the norm was reduced to Akshaya centre for every 2000 households. Not enough G2c and B2c services could be provided through the Akshaya centres in the initial years. It was also felt that settling the issue in Malappuram district would also have a beneficial impact with respect to the overall implementation of the programme.

5. With the objective to resolve the issue of outstanding of Akshaya entrepreneurs of Malappuram district, it was felt that Government may partly step into reduce the repayment liability. According to this proposal, subject to the Banks agreeing to waive – off the outstanding interest (and penal interest) and 25% of the outstanding principal of Akshaya entrepreneurs in Malappuram district, the Government may meet 50% of the 75% of principal (i.e 37.5% of outstanding principal) will be met by Government subject to

- (a) One time settlement by Banks to clear off the loan with 75% of principal
- (b) Remaining 37.5% of the loan shall be met by Akshaya entrepreneurs
- (c) Govt. share shall be paid only after Akshaya entrepreneurs clear his/her dues.
- (d) This scheme is only available in Malappuram district and shall not be available in other districts.

6. Government have examined the matter in detail and are pleased to order as follows.

- a. The proposal in Para 5 above for supporting the One Time Settlement between Banks and Akshaya Centres in Malappuram District will be taken up as a special case, without being quoted as a precedent for other districts
- b. Government will meet the 50% of the outstanding principal amount of the Akshaya Centres in Malappuram district which come forward an OTS with the Banks, subject to the conditions that the Banks agree to write off 25% of the principal
- c. The amount required for paying the amount as in sub Para (b) above will be met from the income generated by Akshaya Directorate/KSITM

(By Order of the Governor)
Dr.Ajay Kumar
Principal Secretary to Govt

To

The AG(A&E)/Audit, Kerala Tvm
The District Collector, Malappuram
✓ The Director, KSITM
The Director, Akshaya
The Local Self Govt.Department
Finance Dept (Vide UO No.90333/Exp.A1/09/Fin
The General Administration (SC)Dept -Vide (Item No.4261 dtd.17.02.2010
of proceedings the Council of Ministers
Canara Bank Circle Office,Tvm, Malabar Grameen Bank, Malappuram,
Dist.Co-op Bank, Malappuram , State Bank of Travancore,Tvm
Stock File/Office Copy

Copy to:

The Private Secretary to Chief Minister
PA to Principal Secretary (IT)

Forwarded / By Order


Section Officer