



GOVERNMENT OF KERALA

Abstract

Industries Department-Comprehensive Revival Scheme for Co-operative Spinning Mills under TEXTFED- Modernisation of Quilon Co-operative Spinning Mills Ltd – Release of fund- Sanction accorded- Orders Issued.

INDUSTRIES(C)DEPARTMENT

G.O.(Rt)No.717/2022/ID Dated,Thiruvananthapuram, 19-07-2022

Read 1 G.O(Rt)No.403/2022/ID dated 16/05/2022

2 Lr.No.HL/477/2022-T2 dated 14/06/2022 from the Director of Handloom and Textiles

ORDER

As per the Government Order read as 1st paper above, administrative sanction was accorded for an amount of Rs.500 lakh (Rupees Five hundred lakh only) for the proposal for the Modernisation of Quilon Co-operative Spinning Mills under Comprehensive Revival Scheme for Co-operative Spinning Mills (under TEXTFED) by debiting the expenditure under the head of account 6851-00-109-74(P) from the current financial year's budget provision.

(2) Director of Handloom and Textiles as per the letter read as 2nd paper above has requested for the release of the said amount of Rs.500 lakh from the head of account 6851-00-109-74(P), for the Modernisation of Quilon Co-operative Spinning Mills Ltd.

(3) Government have examined the matter in detail and are pleased to accord sanction for the release of an amount of Rs.3,00,00,000/- (Rupees Three crore only) to Textfed for the completion of first phase and for the initiation of second phase of the Modernisation of Quilon Co-opertaive Spinning Mill under Comprehensive revival scheme for the mills under TEXTFED by debiting the expenditure under the head of account "6851-00-109-74(P)" from the current financial year's budget provision , subject to the conditions specified in the Government Order read above and also subject to following terms and conditions.

1. Funds should be transfer credited to PSTSB account in compliance of O(P) No.62/2018/Fin dated 16.04.2018.

2. The procedures prescribed in Circular No. 84/2008/Fin dated, 09-12-2008, Circular No. 75/09/Fin dated, 29/08/2009, Circular No.8/2018/Fin dated, 30/01/2018 and Circular 53/2018/Fin dated 16.06.2018 should be scrupulously followed.

3. The funds shall be used for the specific purpose for which it is released and do not divert it for any other purpose.

4. The Operational guidelines regarding the utilisation and monitoring of plan funds issued vide GO (P) No.88/2018/fin dated 11.06.2018 and GO(P) No.100/2018/Fin dated 03.07.2018 should be scrupulously followed.

5. Financial Principles & Rules relating to the drawal & utilisation of funds should be observed scrupulously.

6. The loan should be treated as 'Working Capital Loan'

7. The period of loan shall be 5 years.

8. Repayment of loan shall commence on the first anniversary of the drawal of loan.

9. Rate of interest shall be 9.5% per annum (annual compound) subject to GO (P)No.169/2018/Fin dated 16.05.2018. Regarding the sanctioning and repayment of loan, all the formalities/procedures stipulated in Circular No. 40/2013/Fin dated 27.04.2013 should be scrupulously followed.

10. Loan shall be repaid in equal quarterly installment along with interest and the Director of Handloom & Textiles shall monitor the same.

11. In case of default, penal interest @ 2.50% per annum shall be charged in addition to the normal rate of interest.

12. The amount shall be shown as loan from Government in the accounts of the Mill.

Since the interest rate prescribed assumes timely repayment of principal and payment of interest, no further rebate in rates shall be allowed under any circumstances

14. The Drawing & Disbursing Officer should ensure that unspent balances of previous release, if any, will be adjusted against the instant release of funds.

15. Utilisation Certificate/Component wise expenditure details in respect of the previous releases as well as the amount to be released should be furnished in the prescribed format appended with G.O(Ms) 04/2020/Fin dated 09/01/2020 along with further fund release proposals.

16. G.O(P)No.157/2021/Fin dated 26/11/2021 & G.O(P)No.171/2021/ Fin dated 18/12/2021 in respect of the Loan Monitoring and Fund Management System should be followed.

17. The balance allocation earmarked for Quilon Co-operative Spinning Mill for the Current Financial Year shall be sanctioned on receipt of the report on progress of the procurement of Machines.

(4) Director of Handloom & Textiles will draw and disburse the amount to the Quilon Co-operative Spinning Mills Ltd through TEXTFED.

(By order of the Governor)
A P M MOHAMMED HANISH
PRINCIPAL SECRETARY

To

The Director of Handloom and Textiles, Thiruvananthapuram

The Managing Director, TEXTFED, Thiruvananthapuram

The Managing Director, Quilon Co-operative Spinning Mills Ltd, Kollam

District Treasury Officer, Thiruvananthapuram.

The Principal Accountant General(G&SSA), Kerala, Thiruvananthapuram

The Accountant General(A&E) Kerala, Thiruvananthapuram.

The Chief Executive Officer, K-Bip, Thiruvananthapuram

Finance (GMC) Department

Finance (PUD) Department (File No.PU-D1/79/2022-Fin(e-2124688))

Finance (Planning-B)Department

Planning & Economic Affairs Department (vide minutes of WGM held on 11.05.2022)

Industries (J) Department

I&PRD Department

SF/ OC.

Forwarded /By Order
Signed by Padmasekhar P
Date: 19-07-2022 13:38:16
Section Officer