



GOVERNMENT OF KERALA



Abstract

Industries Department- 'Rejuvenation and Revival of viable PSUs - Kerala State Textile Corporation Ltd -Modernisation of Edarikkode Textiles -Release of Rs.100 lakh -Sanction accorded - Orders Issued

**INDUSTRIES(C) DEPARTMENT**

**G.O.(Rt)No.677/2023/ID**

**Dated, Thiruvananthapuram, 03.07.2023**

- Read: 1. G.O(Rt) No.375/2023/ID dated 11.05.2023  
2. Letter No.DIC/2798/2023-F11 dated 31.05.2023 from the Director of Industries and Commerce

**ORDER**

As per the Government Order read as 1<sup>st</sup> paper above, Government revalidated the administrative sanction for an amount of Rs.372.20 lakh for modernisation-value addition through conversion of technology to chute feed line machine in Edarikkode Textiles, a unit of Kerala State Textile Corporation Ltd under the head of account 6860-01-190-95 from the current year's budget provision.

2) As per the letter read as 2<sup>nd</sup> paper above, the Director of Industries and Commerce has reported that no amount has been sanctioned to Edarikkode Textiles for the financial years 2020-21, 2021-22 &2022-23. Kerala State Textile Corporation has submitted the utilization certificate that out of the Rs.540 lakh released to Edarikkode Textiles in the financial year 2019-2020, there is Rs.3,54,624/- remaining unspent and the said amount can be utilized for the projects of current financial year. Therefore, it has been requested that Rs.3,54,624/- should be reduced from Rs.372,20,000/- which was sanctioned this year and the remaining amount should be distributed this financial year.

3) Government have examined the matter in detail and are pleased to accord sanction for the release of an amount of Rs.100 lakh (Rs One Crore only) to Kerala State Textile Corporation Ltd from the Current Financial Year budget provision under the head of account '6860-01-190-95-Loans to KSTC(P)' towards 'Modernization of Edarikkode Textiles', subject to the following conditions.

1.Funds should be transfer credited to PSTSB account in compliance of G.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 G.O(P) No.88/2018/fin dated 11.06.2018 and G.O(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 G.O(P)No.169/2018/Fin dated 16.05.2018. Regarding the sanctioning and repayment of loan,the Director of Industries and Commerce should scrupulously follow all the formalities/procedures stipulated in Circular No. 40/2013/Fin dated 27.04.2013.

10. Loan shall be repaid in equal quarterly installment along with interest and the Director of Industries and Commerce 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 Corporation.

13. 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. the Director of Industries and Commerce should follow the conditions stipulated in 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.

4) The Director /Additional Director of Industries and Commerce will draw and disburse the amount to Edarikkode Textiles through the Managing Director ,Kerala State Textile Corporation Ltd

(By order of the Governor)

Ajit Kumar I A S

SECRETARY

To

The Director of Industries and Commerce, Thiruvananthapuram

The Director of Handloom and Textiles, Thiruvananthapuram

The Secretary, RIAB, Thiruvananthapuram.

The Managing Director, Kerala State Textile Corporation,  
Thiruvananthapuram

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

The Accountant General(A&E) Kerala, Thiruvananthapuram

The Director of Treasuries ,Thiruvananthapuram

The Finance (BW/GMC/PUD ) Department

The Planning& Economic Affairs (CPMU)Department