



GOVERNMENT OF KERALA

Abstract

Sitaram Textiles Ltd. - Release of Rs.50 lakh as Working Capital Assistance - Sanction Accorded - Orders Issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.18/2024/ID Dated,Thiruvananthapuram, 09-01-2024

Read 1 Letter No.STL/165/23-24 dated 18.11.2023 and letter No.STL/170/2023-24 dated 01.12.2023 from the managing director, Sitaram Textiles Ltd., Thrissur.

ORDER

As per the letters read as 1st paper above, the Managing Director, Sitaram Textiles Ltd has requested to sanction an amount of Rs.300 lakh as working Capital assistance for raw material purchase and part payments to EPF, ESI and Gratuity.

2).The Managing Director has also reported that the Plan fund of Rs. 148.40 lakh received is not sufficient to continue the working of the mill efficiently. Company has the below mentioned outstanding dues. EPF and ESI authorities have already initiated recovery and arrest warrants proceeding against higher officials. Hon'ble High Court also directed to settle the gratuity amounts on the petition filed by retired employees.

Details of dues are as follows:

SI.No	Particulars	Amount in lakh
1	Raw material dues	89.00
2	EPF	252.00
3	ESI	10.66
4	Gratuity	117.18
5	KSEB	216.00
6	Others	36.00
7	Salary & wages (June 2023 to Sep 2023)	48.19
	Total	769.03

3)The Managing Director has requested for working capital assistance for an amount of Rs.300 lakh urgently.

4.Government have examined the matter in detail and are pleased to release an amount of Rs.50 lakh (Rs Fifty lakh Only) to Sitaram Textiles Ltd under the head of account '6860-01-190-97 -Loans to Sitaram Textile Ltd (STL) (P)' towards working capital assistance on 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 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, Director of Industries & 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 & 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) Director of Industries & 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.
5. The Director of Industries & Commerce / Additional Director of Industries & Commerce will draw and disburse the amount to Sitaram Textiles Ltd, Thrissur.

(By order of the Governor)
SAURABH JAIN
SECRETARY

To:
The Director of Industries and Commerce ,Thiruvananthapuram
The Director of Handloom and Textiles, Thiruvananthapuram
The Managing Director, Sitaram Textiles Ltd,Punkunnam,Thrissur

The Member Secretary, BPT, Thiruvananthapuram

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

The Accountant General(A&E) Kerala , Thiruvananthapuram

The Director of Treasuries, Thiruvananthapuram

Finance (PUD/BWG/GMC) Department

Panning & Economic Affairs(CMPU) Department

CEO, K-bip, Thiruvananthapuram

✓ I& PRD

Stock file/OC

Forwarded /By order

Signed by

Sreekumar R

Section Officer

Date: 10-01-2024 11:11:15