



GOVERNMENT OF KERALA

Abstract

Cotton Board- Availing of Working Capital loan for an amount of Rs.70 Crore from NCDC for Bulk purchase of cotton for the entire Co-operative Spinning Mills in the State - Sanction accorded - Orders Issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.357/2024/ID Dated,Thiruvananthapuram, 23-05-2024

Read 1 G.O.(Rt) No.1310/2022/ID dtd. 17/12/2022

2 GO(Rt) No.164/2023/ID dated 28.02.2023

3 Letter No.NCDC:20-1/2023-Tex dated 09.01.2023 from
Managing Director,NCDC,New Delhi

4 Letter No.BPT-Textiles/I-122/2023/D-081 dated 24.11.2023
from the Member Secretary,BPT,Thiruvananthapuram

5 GO (Rt) No.197/2024/ID dated 12.03.2024

ORDER

As per the Government Orders read as 1st, 2nd and 5th papers above, Government have constituted Cotton Board for bulk procurement of cotton and issued modalities for operationalization of Cotton Board.

2) On the request of the Fund Manager of Cotton Board, ie, Member Secretary of RIAB (Currently BPT), Government had submitted a proposal to NCDC for providing a Working Capital loan of Rs. 70 Crores during mid-January 2023 to the Cotton Board as the procurement of cotton needs to be completed before end of the ongoing season and to inform the formalities for availing the said working capital loan.

3) As per letter read as 3rd paper above, the Managing Director, NCDC informed the State Government that as per the mandate given under NCDC Act by Government of India, NCDC can provide financial assistance to Co-operatives either directly or through State Government. Therefore, it was suggested that Industries Department, Government of

Kerala with the concurrence of State Finance Department may avail the working capital loan from NCDC and pass on the funds through suitable mechanism for the benefit of co-operative spinning mills in the State. It was also informed that Government of Kerala will be the primary borrower and will have the liability to serve NCDC dues and Government of Kerala can avail working capital loan for a period of 2 years which can be repaid in 2 annual installments along with applicable interest. As per the letter read as 4th paper above, the Member Secretary, BPT has requested Government to expedite the process of availing the loan of Rs.70 Crores from NCDC in view of the urgent requirement of cotton to ensure sustainable operation of textile mills.

4) Government have examined the matter in detail and are pleased to accord sanction to the Cotton Board for the bulk purchase of cotton for entire Co-operative spinning mills in the State by availing the working capital loan to the tune of Rs.70 Crore (Rupees Seventy Crores only) from NCDC and disburse through Cotton Board as per requirement, subject to the following conditions and also subject to the conditions/ modalities stipulated in the Government Order read as 2nd paper above:

i) With this assistance, Cotton Board will purchase cotton in bulk quantity and distribute the purchased cotton as per requirement to co-operative spinning mills in the State.

ii) The cost of cotton along with other applicable charges including interest, transportation and administrative charges etc should be fixed using a standard norms.

iii) The earnings of each mill from the cotton so supplied should be collected back and remitted to Government through a revolving ESCROW mechanism.

(By order of the Governor)
BIJU PRABHAKAR
SECRETARY

To:

The Chairman, Cotton Board

The Director of Industries & Commerce ,Thiruvananthapuram

The Member Secretary,BPT,Thiruvananthapuram

The Director of Handloom and Textiles ,Thiruvananthapuram

The Managing Director, NCDC, 4, Siri Institutional Area, Hauz
Khas, New Delhi-110016 (With C/L)

The Regional Director, Regional Office, TC 11, 808, GV-2,
Nalanda Junction, Nanthancode Jct, P.O, Kowdiar,
Thiruvananthapuram, Kerala 695003 (with C/L)

The Managing Director, Kerala State Textile Corporation
Ltd,Thiruvananthapuram

The Managing Director,TEXFED,Thiruvananthapuram

The Principal Accountant General (Audit/ A&E), Kerala,
Thiruvananthapuram

The Finance Department (Vide U O (R) No. PU-D1/05/2023/Fin
(e-2323008) Dated 9/4/2024)

The CEO,K-bip, Thiruvananthapuram

I&PRD

SF/OC

Forwarded /By order

Signed by

Sreekumar R

Section Officer

Date: 24-05-2024 14:34:54

Copy to:

PS to the Hon'ble Minister, Industries Department

PS to Secretary, Industries Department

CA to Joint Secretary, Industries Department

Under Secretary, Industries Department

C1/C2 seats