



GOVERNMENT OF KERALA

Abstract

Cotton Board - Working capital support of Rs.9 Crores for bulk purchase of cotton during season through Cotton Board - Administrative Sanction Accorded - Orders Issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.531/2024/ID Dated, Thiruvananthapuram, 01-07-2024

- Read :
- 1) Letter No.CB/I-0/2024-25/D -340 dated 22.05.2024 from the Member Secretary, BPT, Thiruvananthapuram
 - 2) Minutes of the Working Group Meeting held on 29.05.2024
 - 3) e-Anumathi No AS/IND/24/35326 valid upto 31.03.2025

ORDER

The Member Secretary, Board for Public Sector Transformation as per letter read as 1st paper above, has requested sanction and release of Rs.9 crores (Rupees Nine crores only) for bulk purchase of cotton for spinning mills under the Industries Department from the fund provided under the budget head of account 4860-01-800-98 , during 2024-25. An amount of Rs.10 crores is allocated in the budget for Cotton Board, out of which request for re validation is submitted for Rs.1 crore. Bulk purchase will ensure good quality cotton at a competitive price. It is a Continuing scheme and the Working Capital support is giving to Cotton Board for bulk purchase of cotton during season through Cotton Board. To ensure recycling of funds without any drain, a Joint Payment Account/Joint Collection Account in electronic mode will be instituted in the Cotton Board. At the beginning of purchase, the funds will be parked and disbursed to the selected cotton vendors from the single Joint Payment account after arrival of cotton and receipt of test results. The sales proceeds from yarn sale will be escrowed through the Joint collection accounts for each mill. From such sales proceeds, the amount equivalent to the cost of cotton plus applicable interest plus service charges of 0.25% will be transferred to the joint payment account to

operate the succeeding cycles. The remaining money will be given to the current account of each mill for meeting expenses other than the cost of cotton. The Cotton Board will sign a legally tenable MoU with each Mill which will receive Cotton from the Cotton Board.

2) There is a budget provision of Rs.10 crore for the year 2024-25 under the head of account '4860-01-800-98 for purchase of cotton for the spinning mills through Cotton Board.

3) The Working Group Meeting held on 29.05.2024, considered the proposal and recommended for issuing administrative sanction for an amount of Rs.9 crore.

4) Government have examined the matter in detail and are pleased to accord administrative sanction for the scheme 'Bulk purchase of cotton through Cotton Board' for an amount of Rs.9 Crore (Rupees Nine Crore only) to be met from the current financial year's budget provision under the head of account '4860-01-800-98' .

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

To:

The Director of Industries and Commerce ,Thiruvananthapuram

The Director of Handloom and Textiles ,Thiruvananthapuram

The Member Secretary, BPT, Thiruvananthapuram

The Chairman, Cotton Board

The Managing Director, Kerala State Textile Corporation
Ltd,Thiruvananthapuram

The Managing Director, Sitaram Textiles Ltd, Thrissur

The Managing Director, Trivandrum Spinning Mills
Ltd,Thiruvananthapuram

The Managing Director, TEXTFED, Thiruvananthapuram

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

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

The Finance (BWG/PUD) Department

The Planning & Economic Affairs (CPMU) Department

Industries (J) Department

K-bip ,Thiruvananthapuram

I&PRD

SF/OC

Forwarded /By order

Signed by
Section Officer
Sreekumar R

Date: 01-07-2024 16:33:11

Copy to : PS to the Hon'ble Minister, Industries
PS to the Principal Secretary, Industries Department
CA to Joint Secretary, Industries Department