



GOVERNMENT OF KERALA

Abstract

Malabar Spinning & Weaving Mills under Kerala State Textile Corporation Ltd- Value addition through installation of Autoconer -Cost escalation relating to the component Humidification plant- Release of Rs. 26.53 lakh - Sanction accorded - Orders Issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.637/2024/ID Dated,Thiruvananthapuram, 22-07-2024

Read 1 G.O.(Rt) No. 226/2024/1D dated 16.03.2024

2 Letter No.DIC/1599/2024-FI1 dated 20.05.2024 from the Director of Industries and Commerce, Thiruvananthapuram

ORDER

Government had accorded sanction for the release of an amount of Rs.26.53lakh (Rupees Twenty Six Lakh Fifty Three thousand only) to KSTC under the h/a-“6860-01-190-95 Loans to KSTC(P)” during the financial year 2023-24, towards cost escalation relating to the component "Humidification plant " in the Modernization project of Malabar Spinning and Weaving Mills as per Government Order read as 1st paper above.

2) The Director of Industries and Commerce has requested to release the amount of Rs.26.53lakh since the amount was not released as the financial year ended on March 31. There is a budget provision of Rs.2,850 lakh allocated for KSTC for the current financial year.

3) Government have examined the matter and are pleased to release an amount of Rs. 26.53 lakhs (Rupees Twenty Six lakh and Fifty Three Thousand only) to KSTC from the Current Financial Year (2024-25) budget provision under the h/a- '6860-01-190-95-Loans to KSTC (P)' towards" the cost escalation of Malabar spinning mills" on 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 followed with care.*
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 G.O.(P) No.100/2018/Fin dated 03.07.2018 should be 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, 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) No.04/2020/Fin dated 09/01/2020 along with further fund release proposals.

16. Administrative Department 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 of Industries and Commerce/Additional Director of Industries and Commerce will draw and disburse the amount to the Managing Director, Kerala state Textile Corporation Ltd.

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

The Director of Industries and Commerce, Thiruvananthapuram

The Director of Handloom and Textiles, Thiruvananthapuram

The Secretary, BPT, Thiruvananthapuram

The Managing Director, Kerala State Textile Corporation Ltd,

Thiruvananthapuram

The Principal Accountant General (G&SSA) Kerala,

Thiruvananthapuram

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

The Director of Treasuries, Thiruvananthapuram

Finance (PUD/GMC/BW) Department .

The Planning & Economic Affairs(CPMU) Department

✓ I&PR Department

The Chief Executive Officer, K-bip, Thiruvananthapuram

SF/OC

Forwarded /By order

Signed by
Sreekanth R
Section Officer

Date: 22-07-2024 17:09:35