



GOVERNMENT OF KERALA

Abstract

Industries Department-Comprehensive Revival Scheme for Co-operative Spinning Mills under TEXTFED- Modernisation of Cannanore Co-operative Spinning Mills Ltd – Release of fund- Sanction accorded- Orders Issued.

INDUSTRIES(C)DEPARTMENT

G.O.(Rt)No.705/2022/ID Dated,Thiruvananthapuram, 15-07-2022

Read 1 G.O(Rt)No.412/2022/ID dated 16/05/2022

2 Lr.No.HL/483/2022-T2 dated 14/06/2022 from the Director of Handloom and Textiles

ORDER

As per the Government Order read as 1st paper above, administrative sanction was accorded for an amount of Rs.170 lakh (Rupees One hundred and Seventy lakh only) towards the proposal for the Modernisation of Cannanore Co-operative Spinning Mills under Comprehensive Revival Scheme for Co-operative Spinning Mills (under TEXTFED) by debiting the expenditure under the head of account 6851-00-109-74(P) from the Financial Year 2022-23 budget provision.

(2) The Director of Handloom and Textiles as per the letter read as 2nd paper above requested for the release of the administrative sanction amount of Rs.170 lakh from the head of account 6851-00-109-74(P) for the Modernisation of Cannanore Co-operative Spinning Mills Ltd.

(3) Government have examined the matter in detail and are pleased to accord sanction for the release of an amount of Rs.140,00,000/- (Rupees One crore Forty lakh Only) for the purchase of Lap former machine and Comber components (Components Sl.No.1&2 in the Administrative Sanction Government Order) for the Modernisation of Cannanore Co-operative Spinning Mills under Comprehensive Revival Scheme for Co-operative Spinning Mills (under TEXTFED) as stipulated in the above read Government Order, by debiting the expenditure under

the head of account "6851-00-109-74(01)-Plan" from the current year's budget provision, subject to the specific condition that further release will be considered on receipt of the progress of procurement of machines, and also on the following terms and 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, all the formalities/procedures stipulated in Circular No. 40/2013/Fin dated 27.04.2013 should be scrupulously followed.

10. Loan shall be repaid in equal quarterly installment along with interest

and the Director of Handloom & Textiles 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 Mill.

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 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 should be followed.

(4) Director of Handloom & Textiles will draw and disburse the amount to the Cannanore Co-operative Spinning Mills Ltd through TEXTFED.

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

To

The Director of Handloom and Textiles, Thiruvananthapuram

The Managing Director, TEXTFED, Thiruvananthapuram

The Managing Director, Cannanore Co-operative Spinning Mills Ltd, Kannur