



GOVERNMENT OF KERALA

Abstract

Industries Department--Comprehensive Revival Scheme for Co-operative Spinning Mills - First installment of fund assistance for modernisation of Malabar Co-operative Textiles Ltd(MALCOTEX) under Kerala State Co-operative Textile Federation Ltd(TEXFED)-Release of fund - Orders Issued

INDUSTRIES(C)DEPARTMENT

G.O.(Rt)No.906/2022/ID Dated,Thiruvananthapuram, 23-08-2022

Read 1 GO(Rt) No.409/2022/ID dated 16.05.2022

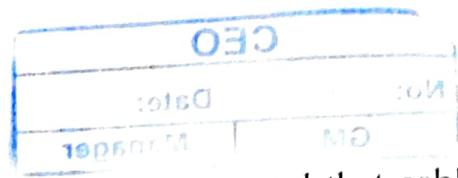
2 Letter No.HL/1668/2021-T2 dated 01.07.2022 from Director of Handlooms and Textiles,Thiruvanthapuram

3 Letter No.Textfed/MD/Malcotex/IND/2022/2819 dated 03.08.2022 from the Managing Director,Textfed,Thiruvananthapuram

ORDER

As per Government Order read as 1st paper above administrative sanction was accorded for an amount of Rs.105 lakh (One hundred and Five lakh only) towards fund support for modernisation of Malabar Co-operative Textiles Ltd (MALCOTEX) under the head of account 6851-00-109-74(P)from the current year's budget provision.

2) As per the letter read as 2nd paper above, the Director of Handloom and Textiles has requested to release the sanctioned amount of Rs.105 lakh to Malcotex and also informed that the complete utilization certificate for the previous release of Rs.300lakh will be furnished soon. The Managing Director, Textfed has reported that the mill has utilized Rs.258.36 lakh only and Letter of Credit has been opened for the purchase of machinery for the mill and the balance work is undergoing. Textfed has furnished the details of present status of the implementation of the project "Modernization of MALCOTEX" and informed that the procedure on invitation of e-tender for the purchase of 3456 Spindle



Auto Doff machines has been initiated. It is also reported that cabling for electrical works and floor clearing for civil works are in progress and can complete the above works with the release of the sanctioned amount of Rs.105lakh .

3) Government have examined the matter in detail and are pleased to accord sanction for the release of an amount of Rs 50 lakh (Rs Fifty lakh only) to TEXFED from the current financial year budget provision under the head of account 6851-00-109-74 (P) towards first installment of fund assistance for the “Modernization of Malabar Co-operative Textiles (MALCOTEX)” under Comprehensive Revival Scheme for Co-operative Spinning Mills, subject to 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 G.O.(P)No.88/2018/fin dated 11.06.2018 and G.O.(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 G.O.(P)No.169/2018/Fin dated 16.05.2018. Regarding the sanctioning and repayment of loan, Director of Handloom and Textiles 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 Handloom and 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 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. The Director of Handloom & Textiles 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 Handloom and Textiles will draw and disburse the amount to the Malabar Co-operative Textiles Ltd (Malcotex) through the Managing Director, Texfed.

(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 Secretary, RIAB, Thiruvananthapuram.

The Managing Director, TEXTFED , Thiruvananthapuram.

The Managing Director, Malabar Co-operative Textiles Ltd
(Malcotex), Athavanad, Malappuram

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

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

Finance (PUD) Department (Vide Note No.PU-D1/98/2022/Fin(e-
2146638)

The Finance (GMC/BW) Department .

The Planning & Economic Affairs (CPMU) Department

The Chief Executive Officer , K-bip, Thiruvananthapuram

I& PRD

SF/OC

Forwarded /By order

Signed by Padmasekhar P

Date: 24-08-2022 10:50:54

Section Officer