



GOVERNMENT OF KERALA

Abstract

Industries Department-NCDC assistance for rehabilitation-cum-modernisation programme of Cannanore Co-operative Spinning Mills Ltd under Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC)-Release of subsidy-Sanction Accorded-Orders Issued.

INDUSTRIES(C)DEPARTMENT

G.O.(Rt)No.654/2023/ID Dated,Thiruvananthapuram, 26-06-2023

- Read 1 G.O(Rt)No.806/2021/ID dated 04/08/2021
2 G.O.(Rt)No.1392/2021/ID dated 23/12/2021
3 Letter No.NCDC:20-4/2018-Text/226/RB20229 dated 22/07/2022 from the Director(Textile), NCDC
4 Letter No.HL/636/2020-T2 dated 09/11/2022 from the Director of Handloom & Textiles.
5 G.O(Rt)No. 4412/2023/Fin dated 12.06.2023

ORDER

As per Government Order read as 1st paper above, Administrative Sanction was accorded for the Modernisation-cum-expansion programme of Cannanore Co-operative Spinning Mills Ltd at a cost of Rs.1750 lakh(Rupees Seventeen crore Fifty lakh only) with National Cooperative Development Corporation(NCDC) assistance.

(2) Later, NCDC disbursed financial assistance of Rs.721.875 lakh to Government of Kerala for the rehabilitation-cum-modernisation and expansion of Cannanore Co-operative Spinning Mills(CCSM) and as per Government Order read as 2nd paper above, sanction was accorded for the release of an amount of Rs.721.875 lakh (Rupees Seven crore Twenty One lakh Eighty Seven thousand & Five hundred only) under the head of account '6851-00-109-74(3)-NCDC Assisted Schemes(PV)' toTEXFED for the Modernisation of Cannanore Co-operative Spinning Mills with NCDC Assistance.

(3) Vide letter read as 3rd paper above, the Director (Textile), National Cooperative Development Corporation (NCDC) has conveyed the approval of NCDC for payment of eligible Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC) subsidy of Rs.144.37 lakh comprising Rs.140.30 lakh under General category and Rs.4.07 lakh under SCSP category on reimbursement basis to Government of Kerala for modernisation-cum-expansion of Cannanore Cooperative Spinning Mills Ltd, Kannur. It was also informed that the subsidy amount of Rs.144.37 lakh (Rupees One crore Forty Four lakh Thirty Seven Thousand only) is being remitted to Government of Kerala separately.

(4) As per letter read as 4th paper above, Director of Handloom & Textiles has requested to release the said NCDC subsidy amount of Rs.144.37 lakh to Cannanore Co-operative Spinning Mills Ltd.

(5) Government have examined the matter in detail and are pleased to accord sanction for the release of an amount of Rs.144.37 lakh (Rupees One crore Forty Four lakh Thirty Seven thousand only) additionally authorized under the loan head of account "6851-00-109-74-(03) TEXTFED -NCDC Assisted Schemes(P)" vide Government Order read as 5th paper above, towards subsidy amount released by NCDC for rehabilitation-cum-modernisation programme of Cannanore Co-operative Spinning Mills (CCSM) Ltd on 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 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

ved.

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 the 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, 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 Director of Handloom & Textiles 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