



**GOVERNMENT OF KERALA**

**Abstract**

Industries Department - Loan Assistance to Kerala Cashew Board Limited for import of Raw Cashew Nuts (RCN) - Release of ₹ 8 Crore (Rupees Eight Crore only) through additional authorization - Sanction accorded - Orders issued.

**INDUSTRIES (K) DEPARTMENT**

G.O.(Rt)No.245/2024/ID Dated,Thiruvananthapuram, 23-03-2024

- Read:-
1. G.O.(Rt)No.762/2023/ID Dtd 29/07/2023.
  2. G.O.(Rt)No.1282/2023/ID Dtd 21/12/2023.
  3. Letter No.KCB/ACCTS(FM)1168/2022 Dtd 23/02/2024 received from Chairman & Managing Director, Kerala Cashew Board Ltd, Thiruvananthapuram.
  4. G.O.(Rt)No.2884/2024/Fin Dtd 23/03/2024.

**ORDER**

Kerala Cashew Board Ltd was allocated an amount of ₹ 43.55 crore (Rupees Forty Three Crore and Fifty Five Lakh Only) in the State Budget for the financial year 2023-24 for the plan proposal 'Loan Assistance to Kerala Cashew Board Ltd towards Working Capital for the procurement of Raw Cashew Nuts' under Head of Account '6860-60-190-78 - Loan to Kerala Cashew Board Ltd'. Consequently, as per Government Order read as 1<sup>st</sup> paper above, Government had released ₹ 43.55 crore to KCB Ltd. In addition, an amount of ₹ 25 crore was also released to KCB through additional authorization during this Financial Year 2023-24 for RCN procurement. The entire amount was fully utilized by KCB Ltd for the import of RCN.

2) Further, as per letter read above, Chairman & Managing Director, Kerala Cashew Board Ltd made a request to Government seeking further financial assistance to the tune of ₹ 15 Crore through additional authorization for settling the dues of Kerala Bank and RCN suppliers and for importing fresh consignments of RCN for the coming months.

3) Under the above context, Government have examined the matter in detail and are pleased release an amount of ₹ 8 Crore (Rupees Eight Crore only) to Kerala Cashew Board Ltd under the h/a "6860-60-190-78(P) Loan to KCBL" additionally authorized vide Government Order referred 4<sup>th</sup> above to settle the dues to the suppliers, repay the loans to the Kerala Bank and to import raw cashew nuts, subject to the following terms and conditions of fund release.

i) The amount shall be transfer credited to PSTSB A/c in compliance of G.O(P)No.62/2018/Fin dtd.16.04.2018.



ii) Funds shall be utilized for the purpose for which it is released and not diverted for any other purpose.

iii) 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 No.53/2018/Fin dated 16.06.2018 should be scrupulously followed.

iv) The Operational guidelines regarding the utilization 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.

v) Financial Principles & Rules relating to the drawal & utilization of funds should be observed scrupulously.

vi) Utilization 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.4/2020/fin. dated 09.01.2020 along with further fund release proposals.

vii) The loan should be treated as 'Working Capital Loan' and the period of loan shall be 5 years.

viii) Repayment of loan shall commence on the first anniversary of the drawal of loan.

ix) 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, KCB should scrupulously follow all the formalities/procedures stipulated in Circular No.40/2013/Fin dated 27.04.2013.

x) Loan shall be repaid in equal quarterly installments along with interest and KCB shall strictly follow this timeline.

xi) In case of default, penal interest @ 2.50% per annum shall be charged in addition to the normal rate of interest.

xii) The amount shall be shown as loan from Government in the accounts of the Corporation.

xiii) 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.

xiv) The Drawing & Disbursing Officer should ensure that unspent balances of previous release, if any, will be adjusted against the instant release of funds.

xv) 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 Systems should be scrupulously followed.



4) The Director of industries and Commerce/Additional Director of Industries and Commerce is entrusted to draw and disburse the said amount to KCB Ltd, Tvpm.

(By order of the Governor)  
BIJU PRABHAKAR  
SECRETARY

To:  
The Director/Additional Director, Directorate of Industries and Commerce,  
Thiruvananthapuram.  
The Chairman & Managing Director, Kerala Cashew Board Ltd.,  
Thiruvananthapuram  
The Principal Accountant General (Audit/A&E), Thiruvananthapuram.  
The Director, Treasury Directorate, Thiruvananthapuram  
The District Treasury Officer, Thiruvananthapuram  
The Sub Treasury Officer, Vikas Bhavan, Thiruvananthapuram  
Finance (PU-D)/(GIMC) Department.  
Planning and Economic Affairs Department  
✓ I & P R Department (for uploading G.O. in Govt. website)  
SF (K2/18/2024/ID).

Forwarded /By order  
Signed by  
S Padmaja  
Date: 23-03-2024 16:55:42  
Section Officer

Copy to - PS to Hon'ble Minister (Industries)  
PA to Secretary (Cashew)