



GOVERNMENT OF KERALA



Abstract

Industries Department - Travancore Cements Limited - Release of Rs.600 Lakh as Working Capital Assistance- Sanctioned - Orders issued

INDUSTRIES (H) DEPARTMENT

G.O.(Rt)No.97/2022/ID Dated,Thiruvananthapuram, 03-02-2022

Read: Letter No. 0834 dated 04.08.2021 and letter No.0892 dated 14-09-2021 from the Managing Director, Travancore Cements Limited

ORDER

The Managing Director, Travancore Cements Ltd., reported that the company is facing serious financial problems due to various aspects including decrease in sale and due to this the company is not in a position to remit the dues on statutory payments such as Gratuity of retired employees, PF contribution of employees, GST and Electricity payments. The Managing Director has also reported that as part of diversification activities, the company has planned to start the production of Grey Cement, Electric Poles etc. and the company will be able to clear the GST dues within a period of 2 years, once the new projects become operational.

Apart from the above, blockage of e-way bill due to GST arrears has seriously affected the day to day productions and the turnover of the company. Moreover the remittance of GST is not permitted without clearing the total dues incurred earlier and which is not possible in the present financial position of the company.

In the circumstance, the Managing Director has requested Government to permit the Company to remit the forthcoming GST arrears on a monthly basis so that the whole dues can be cleared within a short period of time as and when the new projects become operational.

Government have examined the matter in detail. The serious financial constraints faced by the Company has worsened further because of the reduction in sales due to the blockage of e-way bill generation and the inability to file GSTR-1

for input credit facility and clearing of GST dues is the only way to overcome this situation. Therefore considering this as a special case, Government are pleased to release an amount of Rs 600 lakh (Rupees Six Hundred lakh only) from the current year's budget provision under the H/A 6854-01-190-98(P) as working Capital assistance to Travancore Cements Ltd, for the purpose to clear the GST dues, subject to the following terms and conditions of fund release.

- i. The amount shall be transfer credited to PSTSB A/c in compliance of GO (P)62/2018/Fin dtd.16.04.2018.
- ii. Funds shall be utilised 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 53/2018/Fin dated 16.06.2018 should be scrupulously followed.
- iv. 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.
- 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 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 GO (P) No.169/2018/Fin dated 16.05.2018. Regarding the sanctioning and repayment of loan, Administrative Department 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 installment along with interest and the Administrative Department shall monitor the same.
- 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. A copy of the order sanctioning the loan by incorporating the above conditions shall be marked to the Finance (GMC) Department.

3. The Director/ Additional Director of Industries & Commerce will draw and disburse the amount to Travancore Cements Limited.

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

The Managing Director, Travancore Cements Limited, Nattakam, Kottayam
The Director/Additional Director of Industries & Commerce,
Thiruvananthapuram.

The Accountant General (E & RSA/G & SSA), Kerala, Thiruvananthapuram.
The Secretary, RIAB, Thiruvananthapuram.

The Finance Department (PU-D3/106/2021/1866563-FIN Dated
13.01.2022)

The Finance (GIMC) Department
The Planning & Economic Affairs Department
Stock File / Office Copy.

Forwarded /By order


Section Officer

Copy to:

1. The PS to Hon'ble Minister for Industries.
2. The PA to Principal Secretary II
3. The CA to Additional Secretary.