



GOVERNMENT OF KERALAM

Abstract

Industries Department - NCDC financial assistance for expansion of Malabar Cooperative Textile Mills Ltd (MALCOTEX) - Release of Fund - Sanction accorded - Orders issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.1169/2026/ID Dated,Thiruvananthapuram, 30-09-2026

Read 1 G.O.(Rt)No.1138/2007/ID dated 01.09.2007.

2 G.O.(Rt)No.740/2023/ID dated 23.07.2023.

3 Letter No.HL/1013/2019-T2 dated 02.01.2025 from the Director of Handloom and Textiles.

4 Letter No.MTX/MD/510/2025 dated 02.09.2025 from the Managing Director, Malcotex, Malappuram.

5 Letter No.TEXFED/MD/MTX/IND/2026/4109 from the Managing Director, TEXFED, Thiruvananthapuram.

6 G.O. (Rt)No.6909/2026/Fin dated 06.09.2026.

ORDER

The Director of Handloom and Textiles as per letter read as 3rd cited above requested Government to release the term loan of Rs.143.94 Lakh and subsidy amount of Rs.18.02 Lakh to Malcotex for modernisation, under the H/a 6851-00-109-74-03-TEXFED-NCDC Assisted Schemes (P).

2) Government have examined the matter in detail and are pleased to accord sanction for release of an amount of Rs.18.02 Lakh (Rupees Eighteen Lakh Two Thousand Only) additionally authorized under the h/a 6851-00-109-74-(03) NCDC Assisted Schemes (P)' vide Government Order read as 6th paper above towards subsidy component to the Malabar Co-operative Spinning Mills (MALCOTEX) for its expansion project as approved by the National Cooperative Development Corporation (NCDC) subject to the conditions specified below:

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. 75/2009/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 released now should be furnished in the prescribed format appended with G.O. (Ms) No.04/2020/Fin dated 09/01/2020 along with further fund release proposals.

16. The Director of Handlooms and 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.

3) The Director of Handlooms and Textiles will draw and disburse the amount to the Managing Director, Malabar Co-operative Textile Mills Limited (Malcotex) through the Managing Director, TEXTFED.

By order of the Governor)
HEMA V
JOINT SECRETARY

To:

The Director (Textile), National Co-operative Development Corporation (NCDC), Government of India, 4-Siri Institutional Area, Hauz Khas, New Delhi-110016.

The Director of Industries and Commerce, Thiruvananthapuram.

The Director of Handloom and Textiles, Thiruvananthapuram.

The Secretary, BPT, Thiruvananthapuram.

The Managing Director, TEXTFED, Thiruvananthapuram.

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

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

The Director of Treasuries, Thiruvananthapuram.

Finance (PU-D)/(GMC)/(Budget Wing) Department.

Planning & Economic Affairs (CPMU) Department.

✓ I&PR (Web and New Media) Department (For uploading the G.O in the Government in the website).

SF/ OC.

Forwarded /By order
Digitally signed by
Indulekha C
Date: 30-09-2026
12:09:34
Section Officer