



GOVERNMENT OF KERALA

Abstract

Industries Department - Financial Assistance to Kerala Cashew Board Ltd provisioned in the State Budget for the Financial Year 2024-25 towards Working Capital Loan for the import of Raw Cashew Nut (RCN) - Release of ₹10.2025 Crore (Rupees Ten Crore Twenty Lakh and Twenty Five Thousand only) - Sanction accorded - Orders issued.

INDUSTRIES (K) DEPARTMENT

G.O.(Rt)No.254/2025/ID Dated,Thiruvananthapuram, 07-03-2025

Read 1 G.O (Rt) No. 386/2024/ID Dtd 27/05/2024.

2 G.O (Rt) No. 602/2024/ID Dtd 17/07/2024.

3 G.O (Rt) No. 1203/2024/ID Dtd 20/12/2024.

Letter No. KCB/Plan/472/2023 Dtd 22/01/2025 received from
4 the Chairman & Managing Director, Kerala Cashew Board
(KCB) Limited, Tvpm.

ORDER

The Kerala Cashew Board (KCB) Limited was earmarked an amount of ₹40.81 Crore (Rupees Forty Crore and Eighty One Lakh only) in the Annual State Budget for the Financial Year 2024-25 under the Head of Account '6860-60-190-78 - Loans to Kerala Cashew Board Ltd' as Working Capital Loan for the procurement of Raw Cashew Nut (RCN). As per Government Order read as 1st paper above, Government have accorded Administrative Sanction for the entire amount of ₹40.81 Crore for the implementation of the said Scheme.

2) Subsequently, as per the request of CMD, KCB Ltd, Government released an amount of ₹18.44 Crore vide Government Order read as 2nd paper above and further released a sum of ₹12.1675 Crore as per Order read 3rd paper above towards the implementation of the scheme. Consequent to this, CMD KCB Ltd informed, vide letter read above, that the released amounts were fully utilized by making payment to suppliers and repaying the credit loan taken from Kerala Bank for procuring Raw Cashew Nut (RCN) and hence requested Government to release the

remaining amount of ₹10.2025 Crore under the Head of Account '6860-60-190-78 (P)'.

3) In pursuance of the above, Government have examined the matter in detail and are pleased to release an amount of ₹10,20,25,000/- (Rupees Ten Crore Twenty Lakh and Twenty Five Thousand only) to Kerala Cashew Board Limited under the H/A '6860-60-190-78-Loans to Kerala Cashew Board Ltd', subject to the conditions specified in G.O (Rt) No.386/2024/IND Dtd 27/05/2024 and the following terms and conditions of fund release.

i) Funds should be transfer credited to PSTSB account in compliance of G.O (P) No.62/2018/Fin dated 16.04.2018.

ii) 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.

iii) The funds shall be used for the specific purpose for which it is released and do not divert it for any other purpose.

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) The loan should be treated as 'Working Capital Loan'.

vii) 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, all the formalities/procedures stipulated in Circular No. 40/2013/Fin dated 27/04/2013 should be scrupulously followed.

x) Loan shall be repaid in equal quarterly installment along with interest and the Directorate of Industries & Commerce 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) 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. 04/2020/Fin dated 09/01/2020 along with further fund release proposals.

xvi) 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 should be strictly followed.

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

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

To:

The Chairman & Managing Director, Kerala Cashew Board Limited, Tvpm.

The Director/Additional Director, Directorate of Industries & Commerce, Thiruvananthapuram.

The Principal Accountant General (Audit)/(A&E), Thiruvananthapuram.

The Director of Treasury, Thiruvananthapuram.

The District Treasury Officer, Thiruvananthapuram.

The Sub-Treasury Officer, Vikas Bhavan, Thiruvananthapuram.

The CEO, K-Bip, Thiruvananthapuram.

Finance (PU-D) Department (No. 2434462/PU-D3/70/2023-Fin).
Finance (GIMC) Department.
Planning and Economic Affairs Department.
Director, I&PRD (for uploading the G.O in Govt website).
SF/OC (K2/57/2024/ID).

Forwarded /By order

Section Officer

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