GOVERNMENT OF KERALA

Abstract

Industries Department - Rejuvenation and Revival of Viable PSUs - Administrative Sanction for Rs.67 Lakh towards cost escalation for modernisation programme in Malabar Spinning & Weaving Mills Accorded - Orders issued.

INDUSTRIES (C) DEPARTMENT

G.O.(Rt)No.938/2026/ID Dated,Thiruvananthapuram, 11-08-2026

Read:- 1. G.O.(Rt) No.709/2023/ID dated 11/07/2023.

2. Letter No.KSTC/I-791/2026/D-293 dated 30.06.2026 from the Executive Chairman, BPT.

3. Minutes of the first Departmental Working Group of Industries Department held on 08.07.2026.

4. e-Anumathi No.AS/IND/26/52261 valid upto 05/08/2029.

ORDER

Government had accorded Administrative Sanction for purchase and installation of one Autoconer in Malabar Spinning & Weaving Mills, at a cost of Rs.325 Lakh vide Government Order read as 1st paper above. During 2023-24, an amount of ₹100 Lakh was released as first installment. As the amount released was insufficient to cover the cost of the machinery, the tender evaluation process was kept pending and the amount remained unutilized. During 2025-26, sanction was accorded for revalidation of balance amount of Rs.225 Lakh and KSTC received the amount in April 2026. Due to steep increase in exchange rate of Euro, the cost has escalated by Rs.67 Lakh. The details of the additional financial commitment arising from the exchange rate variations are furnished below:

Component	Amount
Cost of machine	2,55,650 EURO
EURO- INR Exchange rate booked by bank as per forward contract of KSTC with the bank	₹113.3300
The amount in INR payable to the supplier	₹2,89,72,815.00
Customs Duty & GST (28%) to be remitted	₹81,12,389.00
Cost of transportation & installation	₹6,00,000.00
Total cost of machine	₹3,76,85,204.00
Project fund with KSTC for Plant & Machinery	₹3,10,00,000.00
Cost escalation	₹66,85,204.00
Round to nearest lakh	₹67,00,000.00

2. During 2026-27, an amount of Rs.14.86 Crores has been allocated to KSTC under the head of account 6860-01-190-95. The Executive Chairman, BPT vide letter read as 2nd paper above, has requested to place the request for administrative sanction and release of Rs.67 lakh from the budget allocation provided under the head of account, 6860-01-190-95, of KSTC during 2026-27.

3. The Departmental Working Group meeting held on 08.07.2026 have considered the above proposal and approved the proposal for Rs.67 Lakh towards cost escalation for modernisation programme in Malabar Spinning & Weaving Mills, from the fund provided under the budget head of account 6860-01-190-95 of Kerala State Textile Corporation Ltd (KSTC), during 2026-27.

4. Accordingly, Government are pleased to accord Administrative Sanction for the proposal for cost escalation for modernisation programme in Malabar Spinning & Weaving Mills, a unit of Kerala State Textile Corporation Ltd for an amount of Rs.67 Lakh (Rupees Sixty Seven Lakh Only), from the fund provided under the budget head of account 6860-01-190-95 of Kerala State

Textile Corporation Ltd (KSTC), from the current year's budget provision.

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

To:

The Director of Industries and Commerce, Thiruvananthapuram.

The Director of Handloom and Textiles, Thiruvananthapuram.

The District Treasury Officer, Thiruvananthapuram.

The Member Secretary, BPT, Thiruvananthapuram.

The Executive Chairman, BPT, Thiruvananthapuram.

The Managing Director, Kerala State Textile Corporation Ltd., Thiruvananthapuram.

The Managing Director, TEXFED, Thiruvananthapuram.

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

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

The Member Secretary, State Planning Board.

Finance Department (BW/PUD) (Vide Minutes of WGM on 08.07.2026).

Planning & Economics Affairs (PIE & M) Department.

Industries (J) Department.

The CEO, K-bip, Thiruvananthapuram.

I&PRD (for uploading the G.O in the Government website)

Stock File/Office copy.

Forwarded /By order
Digitally signed by
Indulekha C
Date: 11-08-2026
11:30:00
Section Officer