



GOVERNMENT OF KERALA

Abstract

Industries Department - Trichur Co-operative Spinning Mills Ltd-
Financial assistance towards the settlement of Statutory dues-Release
of fund-Sanction accorded-Orders issued.

INDUSTRIES(C)DEPARTMENT

G.O.(Rt)No.1508/2025/ID Dated,Thiruvananthapuram, 16-12-2025

Read:- 1. G.O.(Rt)No.739/2025/ID dated 20/06/2025.

2. Letter No.TEXFED/IND/2025-26/3862 dated 27/10/2025
from the Managing Director, TEXFED.

ORDER

As per the Government Order read above, Administrative Sanction was accorded for an amount of Rs.4250 Lakh provided under the lumpsum h/a 4885-60-800-83(P) for the settlement of urgent statutory commitments of 24 PSUs under the purview of Industries Department, through re-appropriation to their respective head of account, including Rs.410 lakh to Trichur Co-operative Spinning Mills to the h/a 6851-00-109-74-01.

2) The Managing Director, TEXFED as per the letter read above, reported that the activities in connection with the reopening of the Trichur Co-operative Spinning Mill, which is under lay-off, are progressing at a rapid pace and works such as cleaning of the mill premises, restoration of power connection, re-registration of GST, and other preparatory arrangements are currently underway. It is also reported that there is urgent requirement of funds to settle the statutory dues of employees since there are number of cases before the Hon'ble High Court of Kerala, in this regard. It is further requested for the urgent release of the amount of Rs. 410 Lakh sanctioned to Trichur Co-operative Spinning Mills Ltd, from the h/a 4885-60-800-83(P) to the Head of Account "Loan for Federation" No.6851-00-109-74(01), enabling the settlement of the statutory dues of the Mill Ltd.

3) Government have examined the matter and are pleased to accord sanction for the release of Rs.1,60,00,000/-(Rupees One Crore Sixty

Lakh only) towards the settlement of statutory dues of Trichur Co-operative Spinning mills, sanctioned vide Government Order read above, debiting the expenditure under the head 6851-00-109-74-01 Texfed-State assisted schemes (P-V) from current year's budget provision, subject to the conditions specified in the Government Order read above and the following conditions.

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.(Ms)No.169/2018/Fin dated 16.05.2018. Regarding the sanctioning and repayment of loan, Drawing and Disbursing Officer 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 Drawing and Disbursing Officer 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 Mill.
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 to be released should be furnished in the prescribed format appended with G.O.(Ms) 04/2020/Fin dated 09/01/2020 along with further fund release proposals.

16. Drawing and Disbursing Officer 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.

4) The Director of Handloom & Textiles will draw and disburse the amount to Trichur Co-operative Spinning Mill Ltd through Managing Director, TEXTFED.

(By order of the Governor)

HEMA V

JOINT SECRETARY

To:

The Director of Handloom & Textiles, Thiruvananthapuram.

The Managing Director, TEXTFED, Thiruvananthapuram.

The Managing Director, Trichur Co-operative Spinning Mills Ltd, Thrissur

The District Treasury Officer, Thiruvananthapuram

The Chief Executive Officer, K-Bip, Thiruvananthapuram

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

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

Finance (GIMC) Department.

Finance (PU-D) Department

(Vide U.O (f) No.3229897/PU-D1/115/ 2025- FIN dated 04/12/2025)

I&PRD, Web & New Media

(for uploading the G.O in Government website)

SF/OC

Forwarded /By order

Signed by
Section Officer
Anilkumar P

Date: 16-12-2025 19:39:28