



GOVERNMENT OF KERALA

Abstract

Industries Department - Steel and Industrial Forgings Ltd- Modernisation Project
- Release of funds - Sanction accorded - Orders issued

INDUSTRIES(D)DEPARTMENT

G.O.(Rt)No.348/2025/ID Dated,Thiruvananthapuram, 24-03-2025

- Read
1. GO(Rt)No.532/2024/ID dated 01/07/2024
 2. GO(Rt)No.854/2024/ID dated 07/09/2024
 3. Letter No.SIFL/FIN/2024-25/246 dated 26/10/2024 from the Managing Director,Steel and Industrial Forgings Ltd.
 4. GO(Rt)No.230/2025/ID dated 01/03/2025

ORDER

Government, as per the G.O read as 1st paper above, have re-validated the Administrative Sanction for the Modernisation project of Steel and Industrial Forgings Ltd (SIFL) for an amount of Rs.6,25,00,000/- (Rupees Six crore and twenty five lakh only). As per the Government order read as 2nd paper above, an amount of Rs.240 Lakh was released for the project during 2024-25. As per the letter read as 3rd paper above the Managing Director, Steel and Industrial Forgings Ltd requested to Government to release the balance fund for completion of the project. As per the G.O read as 4th paper above, the said Administrative Sanction has been revised to Rs.500 Lakh.

2) Government have examined the matter in detail and are pleased to release an amount of Rs. 2,60,00,000/- (Rupees Two Crore and Sixty Lakh only) to SIFL from the current year budget provision under the H/A '6858-60-190-84 - Loans to SIFL(P)' for the above said project, subject to the following terms and conditions.

- i. Funds should be transfer credited to PSTSB account in compliance of GO(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 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 & utilisation 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 GO (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, without fail.
 - 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 Company.
 - 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. 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) No. 04/2020/Fin dated 09/01/2020 along with further fund release proposals.
 - xvi. The conditions stipulated in GO(P) No. 157/2021/Fin dated 26.11.2021 & GO (P)No. 171/2021/Fin dated 18.12.2021 in respect of the Loan Monitoring

and Fund Management System should be scrupulously followed..

3) The Director/Additional Director of Industries and Commerce shall draw and disburse the amount to the Managing Director Steel and Industrial Forgings Ltd.

(By order of the Governor)
M A RAJEENA BEEGUM
ADDITIONAL SECRETARY

To:

The Director/Additional Director of Industries and Commerce, Thiruvananthapuram

The Managing Director, Steel and Industrial Forgings Ltd, Athani, Thrissur

The Executive Chairman/ Member Secretary, Board for Public Sector Transformation, Thiruvananthapuram

The Accountant General (A&E)/(Audit II), Kerala, Thiruvananthapuram

The District Treasury Officer , Thiruvananthapuram

Finance Department (vide UO(f) No.E 2885514/PU-D2/115/2024-FIN dated 24-03-2025)

Finance (GIMC) Department

Web & New Media, Information and Public Relations Department

Stock File/Office Copy

Forwarded /By order

Section Officer