



**GOVERNMENT OF KERALA**

**Abstract**

Industries Department - Coir Development – Permission to Three Public Sector Undertakings and Coirfed for availing Loan/ bill discounting from KFC Contractor Loan Scheme - Sanction accorded-Orders issued.

**INDUSTRIES(E)DEPARTMENT**

**G.O.(Ms)No.17/2020/ID** Dated,Thiruvananthapuram, 17/01/2020

Read 1 Letter No.CP2/13029/19 dated 1/1/2020 of the Director, Coir Development.

**ORDER**

As per letter read above the Director, Coir Development has forwarded proposal of Kerala State Coir Corporation for financial assistance under Kerala Financial Corporation (KFC) Contractor Loan Scheme. It was informed that the KSCC supplies Geo textiles to local bodies for protection of Canal banks, Road construction, etc under MNREGP. The payment for these supplies to Panchayaths is released by Local Self Government Department of Kerala. KSCC requested for working capital of approximately Rs.25 Crores for procuring the Coir Geo textiles from societies. KSCC informed that the company approached KFC for financial assistance under contractor loan scheme for discounting the bills submitted to local bodies. Further, in the meeting held on 1/1/2020 with officials of KFC by Coir Directorate, it was decided KFC shall consider the proposal of KSCC for a line of credit of Rs.20 Crores for discounting the bills submitted to local bodies and proposal shall be submitted for Government approval. The Director, Coir Development requested to issue necessary orders to permit KSCC to avail the above credit facility for smooth implementation of the Geo-Textiles supply scheme to Panchayaths.

Government have examined the matter in detail. It is a policy decision of the Government to permit the PSUs to avail loan for meeting the working capital requirement and to facilitate the bill discounting so that the present financial crunch shall not affect the smooth functioning of the PSUs. Coir PSUs (Kerala State Coir Corporation, FOMIL) and COIRFED which is an Apex Body of Coir Co-Operative societies supply Coir Geo-Textiles for the water and soil Conservation projects under MGNREGS. These Coir PSUs are

tiny organisations working for the welfare of the workers in traditional Coir Industry. Kerala State Coir Machinery Manufacturing Company (KSCMMC) supplies Coir Machinery for the modernization drive in Coir industry. In these Circumstances in order to provide money so as to ensure the smooth functioning of these PSUs sanction is accorded to permit all three Coir PSUs (Kerala State Coir Corporation, FOMIL, KSCMMC) and Coirfed to avail loans and get bill discounting from KFC. KSCMMC, which supplies Coir Machinery for the modernization is also permitted to avail loan/ bill discounting from KFC against their plan provision kept in PTSB.

(By order of the Governor)  
**VENUGOPAL P**  
**SECRETARY**

To:

The Director of Coir Development, Thiruvananthapuram

Managing Director, Kerala State Coir Corporation, Alappuzha

Managing Director, Kerala State Coir Machinery Manufacturing Company Ltd, Alappuzha

Managing Director, Foam Mattings India Ltd, Alappuzha

Managing Director, Coirfed, Alappuzha

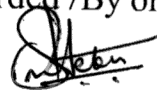
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram

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

Information & Public Relations Department (Web & New Media Division)

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Section Officer