

**GOVERNMENT OF KERALA****Abstract**

Industries Department - Kerala Automobiles Limited - Working Capital Support - Release of fund - Sanction accorded - Orders issued

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**INDUSTRIES (D) DEPARTMENT**

G.O.(Rt)No.164/2026/ID

Dated,Thiruvananthapuram, 18-02-2026

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Read 1 GO(Rt)No.736/2025/ID dated 19/06/2025.

2 G.O.(Rt)No.950/2025/ID dated 30/07/2025

3 Letter No.KAL/ACC/2025-26/413 dated 01/12/2025 from the Managing Director, Kerala Automobiles Limited

**ORDER**

As per the Government Order read as 1<sup>st</sup> paper above, Administrative Sanction was accorded to provide working capital support to 26 PublicSector Undertakings for a total amount of Rs.47 crore (Rupees Forty Seven Crores only) by re-provisioning the lumpsum amount provided under the head of account 4885-60-800-96(P). Of the above amount, Rs.3,50,00,000/- (Rupees Three Crore Fifty Lakh) has been allocated to the Kerala Automobiles Limited under the head of account 6858-03-190-99(P).

2) As per the Government Order read as 2<sup>nd</sup> paper above, an amount of Rs.1,22,50,000/- (Rupees One Crore Twenty Two Lakh and Fifty Thousand only) has been released to Kerala Automobiles Ltd.

3) The Managing Director, Kerala Automobiles Limited, as per the letter read as 3<sup>rd</sup> paper above has requested to release the balance amount of Rs.227.5 Lakh for the purpose of procurement of raw materials, payment of wages and other working capital needs of the company.

4) Government have examined the matter in detail and are pleased to release an amount of Rs.87,00,000/- (Rupees Eighty Seven Lakh only) to Kerala Automobiles Limited (KAL) towards working capital assistance under the h/a '6858-03-190-99(P)', sanctioned as per G.O read as 1<sup>st</sup> paper above, from the current year budget provision subject to the following terms and conditions of fund release:

- i. The amount shall be transfer credited to PSTSB account in compliance of GO(P)No.62/2018/Fin dtd.16.04.2018.
- ii. The procedures prescribed in Circular No.84/08/Fin dated, 09/12/2008 and Circular No.75/09/Fin dated, 29/08/2009 should be scrupulously followed.
- iii. Financial principles & Rules relating to drawal & utilisation of funds should be observed scrupulously.
- iv. The Operational guidelines regarding the utilization 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. The loan should be treated as 'Working Capital Loan'.
- vi. The period of loan shall be 5 years.
- vii. Repayment of loan shall commence on the first anniversary of the drawal of loan.
- viii. Rate of interest shall be 9.5% per annum as per G.O(P)No.169/2018/Fin. dtd.16.05.2018.
- ix. Loan shall be repaid in equal quarterly instalment along with interest and the Company shall monitor the same.
- x. In case of default, penal interest @ 2.50% per annum shall be charged in addition to the normal rate of interest.
- xi. The amount shall be shown as loan from Government in the accounts of the Company.
- xii. Since the interest rate prescribed assumes timely repayment of principal and payment of interest, no further rebate in rates will be allowed under any circumstances.
- xiii. The Drawing & Disbursing Officer should ensure that unspent balances of previous release, if any, will be adjusted against the instant release of funds.
- xiv. The Company shall evolve a proper mechanism for ensuring the prompt repayment of the loan along with interest as per the terms and conditions, within the stipulated period.
- xv. The Company should strictly furnish the U C Component wise expenditure for the fund release in the prescribed proforma as appended with GO(Ms)No. 4/2020 dated 09/01/2020.
- 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 Systems should be followed.

5)The Director / Additional Director of Industries & Commerce shall draw and disburse the amount to the Managing Director, Kerala Automobiles Limited

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

To:

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

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

The Managing Director, Kerala Automobiles Limited, Aralummodu,  
Neyyattinkara.

The District Treasury Officer, Thiruvananthapuram.

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

Finance Department (vide U.O(F)No. 3207410/PU-D3/110/2025-Fin dated  
17/02/2026)

Finance (GIMC) Department.

Stock file/ Office copy.

Forwarded /By order

Section Officer