

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

Industries Department - Kerala Automobiles Ltd - Settlement of NPA dues with State Bank of India- Release of fund - Sanction accorded - Orders issued

INDUSTRIES (D) DEPARTMENT

G.O.(Rt)No.353/2025/ID Dated,Thiruvananthapuram, 25-03-2025

Read 1 Letter No.KAL/ACC/2024-25/969 dated 16/01/2025 from the Managing Director, Kerala Automobiles Ltd

2 Letter No.KAL/I-0/2025/D-136 dated 11/03/2025 from the Executive Chairman, Board for Public Sector Transformation

3 GO(Rt)No.3004/2025/Fin dated 25/03/2025

ORDER

As per the letter read as 1st paper above, the Managing Director, Kerala Automobiles Ltd (KAL) has requested Government to grant an amount of Rs.407 Lakh for making balance payment of dues in the cash credit loan of Rs.543 Lakh availed from the State Bank of India (SBI) as part of the One Time Settlement agreed up on.

2) The Executive Chairman , Board for Public Sector Transformation, as per the letter read as 2nd paper above has recommended to sanction Rs.407 Lakh to the Kerala Automobiles Limited for settling the dues with SBI.

3) Government have examined the matter in detail and pleased to release an amount of Rs. 407 Lakh (Rupees Four Crore Seven Lakh only) to the Kerala Automobiles Limited (KAL) for the settlement of NPA dues to SBI, from the funds made available under the h/a 6858-03-190-99(P) , by way of Additional Authorisation, as per the Government Order read as 3rd paper above.

4) The release of funds is subject to the following terms and conditions.

i. The amount shall be transfer credited to PSTSB account in compliance of

- GO(P)No.62/2018/Fin dt.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 installment along with interest, without fail.
 - 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. All the formalities/procedures prescribed in Circular No.40/2013/Fin. dated, 27/04/2013 should be followed scrupulously.
 - xv. 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.
 - xvi. The Company should strictly furnish the UC Component wise expenditure for the fund release in the prescribed proforma as appended with GO(Ms)No. 4/2020 dated 09/01/2020.
 - xvii. 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 scrupulously followed.

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

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

To:

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

The Managing Director, Kerala Automobiles Ltd, Aralummoodu,
Neyyattinkara.

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

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

The District Treasury Officer, Thiruvananthapuram.

Finance Department. (vide UO(f) No.2740366/PU-D3/28/2024-Fin dated
25/03/2025)

Finance (GIMC) Department.

Stock file/ Office copy

Forwarded /By order

Section Officer