

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handlooms and Textiles – Margin Money Assistance - Sanction of Margin Money Assistance of Rs.50.00 Crores as working capital to Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO) – Release of Rs.20.06 Crores towards Loan assistance under National Co-operative Development Corporation Scheme and Release of Rs.3.00 Crores towards Margin Money Assistance to APCO, duly deducting dues of Rs.19.94 Crores – Administrative sanction - Accorded – Orders – Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No.670.

Dated: 22-09-2012

Read the following:-

1. From the CH&T, Hyderabad, Lr.No.12949/2010-A, dt:8-2-2011 and Dt.26-02-2011.
2. From the VC&MD., APCO, Hyd Lr. No. NCDC Loan /2011/1962, dt.29.09.2011.
3. Govt.Letter No.2015/Tex.2/2011. Dated 07-01-2012, addressed to the Managing Director, NCDC, New Delhi.
4. From the NCDC, Lr.No NCDC-4-1/2011-Text(HLM)/360/SA10238, dt.24-02-2012.
5. From the NCDC, Lr.No NCDC-A&C/1(Rel)/AP/2011-12, dt.01.03.2012, Dt.05.03.2012 and Dt.20.03.2012.
6. Govt. Lr.No.2015/Tex.(2)/2011, dt. 13.03.2012 addressed to Managing Director, NCDC, New Delhi.
7. G.O.Rt.No.2488, Finance (Exp.I&C) Department, dated 18.05.2012.
8. G.O. Rt.No.353, Ind. & Com. (Tex) Dept, dt. 02-06-2012.
9. G.O.Rt.No.385, Ind. & Com. (Tex) Dept, dt. 18-06- 2012.
10. From the DH&T, Hyderabad, Lr.No.2450/2012-A, dt.12-07-2012.
11. G.O.Rt.No.3864, Finance (Exp.I&C) Department, dated 15.09.2012.
12. G.O.Rt.No.3865, Finance (Exp.I&C) Department, dated 15.09.2012.

O R D E R

In the reference 1st read above, while forwarding the loan application in the prescribed proforma of Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad for sanction of Margin Money Assistance of Rs.50.00 Crores to Government, the Commissioner of Handlooms & Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested to consider the proposal and to recommend to the National Co-operative Development Corporation along with Government Guarantee for release of Rs.50.00 Crores as an advance, since, the APCO is in dire need of funds to take up the Rajiv Vidya mission and welfare Department indents, as requested by the Vice-Chairman and Managing Director, APCO, and also requested to release the funds, pending sanction from the National Co-operative Development Corporation .

2. In the reference 2nd read above, the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad has stated that the Government has remitted an amount of Rs.19.94 Crores towards 1st and 3rd installments in respect of 1st, 2nd, 3rd & 4th loans to the National Co-operative Development Corporation, New Delhi on behalf of APCO and hence requested the Government to deduct the sanction amount from the Margin money Loan assistance and arrange to release the balance amount.

3. In the reference 3rd read above, while forwarding the loan application in the prescribed proforma of Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad the Government of Andhra Pradesh has requested the National Co-operative Development Corporation for sanction and release of Rs.50.00 Crores so as to enable to release an amount of Rs.31.06 Crores to the APCO, duly deducting the amount of Rs.19.94 Crores, which was already paid by the Government of A.P. on behalf of APCO towards installments and as agreed to by the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO).

(PTO)

4. In the reference 4th read above, the Managing Director, National Co-operative Development Corporation has conveyed the sanction of financial assistance of Rs.50.00 crores comprising of Rs.40.00 crores as loan and Rs.10.00 crores as subsidy, (subject to availability of subsidy from Government of India) under the conditions as laid down in their Lr. dt.24-02-2012, as follows:

- (i) that the society shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) that the society shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) that the society shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical/ senior personnel for the business of the society.

5. The repayment schedule to the above sanction is for a period of 5 years and shall be recoverable in 5 annual equal installments along with interest; loan instalment will commence from the 1st anniversary of the deemed date of drawal of loan along with interest. There will be no moratorium on repayment of loan and on payment of interest. The interest shall be levied at the rate prevailing at the time of actual release of funds and the present effective rate is 12.75%. In case of payment of instalment is not received on or before due date, normal rate (effective + 1%) would be applicable. In case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC Ir.No. NCDC:1-1/84-Budt, dated 15.10.1984 and No. NCDC:1-1/1990-Budt, dated 01-08-2011 and as amended from time to time.

6. The above loan assistance can be foreclosed and the loan assistance recovered from the Society concerned, if :-

- (i) it is not utilized for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statement of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 31.12.2012, by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. Accordingly, in the references 5th read above, the Managing Director, National Co-operative Development Corporation, New Delhi has forwarded two cheques for Rs.19.94 cr and Rs.23.06 crores towards release of loan/subsidy for providing margin money assistance to the APCO Ltd., Hyderabad.

9. In the references 11th and 12th read above, the Finance (Exp.I&C) Department have issued Budget Release Orders for an amount of Rs.20.06 Crores towards Loan assistance under NCDC Scheme and Rs.3.00 Crores towards Margin Money Assistance to APCO.

10. After careful examination of the matter, and keeping in view the Budget Release Orders issued by the Finance (Exp.I&C) Department in the reference 11th and 12th read above, Government hereby accord sanction for Rs.50.00 Crores (Rupees Fifty Crores only) as working capital to APCO and hereby release an amount of Rs.20.06 crores (Rupees Twenty Crores and Six Lakhs only) (i.e., Rs.4.98 Crores from Budget Estimates provision and Rs.15.08 Crores as additional funds in relaxation of treasury control and Quarterly regulations orders, subject to obtain supplementary grant during 2012-13, towards Loan assistance under NCDC Scheme duly deducting the arrears of Rs.19.94 crores, which were paid by the Government on behalf of APCO and as agreed to by the Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO) and Rs.3.00 Crores (Rupees Three Crores only) (i.e. 268.80 lakhs from B.E. Provision and Rs.31.20 lakhs as additional funds in relaxation of treasury control and Quarterly regulations orders, subject to obtain supplementary grant during 2012-13 towards Margin Money Assistance (subsidy) to APCO, duly cancelling the orders issued vide G.Os 8th and 9th read above.

11. Out of the above sanction ordered in para 10 above, the expenditure of subsidy amount of Rs.3.00 crores (Rupees Three Crores only) shall be debited to the following Head of Account:-

"2851 – 00- 103- 10-55- 310 -312 "

12. The expenditure of loan amount of Rs. 20.06 crores shall be debited to the following Head of Account:-

"6851-00-103-10-19-001-000"

13. The Deputy Secretary to Government, Finance (DCM) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw & disburse the loan amount of Rs.20.06 Crores sanctioned in para (10) above by way of a cheque in favour of Director of Handlooms & Textiles and Apparel Export Parks, Hyderabad and hand over the same to the Director of Handlooms & Textiles & Apparel Export Parks, Hyderabad.

14. The Director of Handlooms & Textiles & Apparel Export Parks, Hyderabad shall furnish the Utilization Certificate within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi, under intimation to the Government.

15. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad / the concerned Drawing & Disbursement Officer is authorized to draw the subsidy amount of Rs.3.00 Crores sanctioned in para (10) above and disburse the same to the concerned by way of a cheque and shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Managing Director, National Development Corporation, New Delhi.

16. The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad / the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad shall deduct the loan instalment amount sanctioned above from the concerned Society and remit the same to the State Government Account, under Loan Receipt head, on due dates under intimation to the National Co-operative Development Corporation, New Delhi, as detailed below:-

0049- Interest receipts

04- Interest receipts of State Government

195- Interest from Co-operative Societies

SH-14 APEX & Primary Weavers Coop. Societies.

17. This order issues with the concurrence of Finance (Exp.I&C.) Department, vide their U.O.No.23028/305/Exp.I&C/2012, Dt.17.09 .2012 and Budget Release Orders issued vide G.Os 11th and 12th read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.SREENIVASULU

PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Handlooms, Textiles & Apparel Export Parks, Hyderabad

The Assistant Secretary to Government, Finance (DCM) Department.

The Vice-Chairman and Managing Director,

Andhra Pradesh State Handloom Weavers Co-operative

Society Limited (APCO), Hyderabad through

the Director, Handlooms & Textiles and Apparel Export Parks,

Andhra Pradesh, Hyderabad.

The Managing Director,

National Co-operative Development Corporation (NCDC),

4, Siri Institutional Area, Hauz Khas, New Delhi.

The Chief Director, National Co-operative Development Corporation,

2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.

Copy to:

The Finance (Exp.I&C) Department

The Accountant General Andhra Pradesh, Hyderabad.

The Pay and Accounts Officer, Hyderabad.

The Director of Treasuries of Accounts, Andhra Pradesh, Hyderabad.

Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.

