

KERALA CEILING ON GOVERNMENT GUARANTEES ACT, 2003 (ACT 30 OF 2003)

Government of Kerala 2003 Reg. No. OBI. maud KERALA GAZETTE ceaog (.D(TüOd EXTRAORDINARY PUBLISHED BY AUTHORITY Vol. XLVIII 48 Thiruvananthapuram, Wednesday 1 Ttb September 2903 2003 6KT'D<öoooGmd 17 26th Bhadra 1925 eotßo 26 auåaood No. 1739 mauö mcnxö 16552/0QKÖ. 2003 ocmcögosr»d 17 t925 COWO 26. mocmnam apolajmoöi 2003 am'fÖg06T"d ma.ld€wvs Inhoao, n@). gl. 33/4327/20031DTP. 2 2003-OQJ 30-00 2003-OPI tulola.—mdaood trunamQ30i, .mogusol asn.joda.ojooi. mlcruo cusa.mz.o ; 1. a"cxikr5 2003-oes onJd :uOOOO, (2) mdaood, asmcmoaa%. (IO "mxb«nö" oo«nod ('Till) " (-noomgl" audaood a-u.nomwrrwö, cruoomwöcd, csruoöua•uB, mocrunom cr,oosrel (m.fl) " (01) "ooa-tnomo" oocmod cruoa-unomo acmoo oaosl a.nsumg. 3 4. mag6)DB1e.120 (ns"lopymoeoo, 5, aG000J20 0.75 ooslpmvxonøssr5. •so an€zvm (3) (.DODQEI (.nocoagl 6. {Doösel awl, am m.»'aolaaospooai. (2) 0006M) fi06rp10Q cösdaaaznpöfrö. (2) „ooöi cc.nr-& OOSOCMJ(TO mozo mlomoe o_jäo mn.saeß ewo 4 GOVERNMENT OF KERALA Law (Legislation-A) DepartEiEnt NOTIFICATION No. 16552/1g. A2J2003/Lnw 1 7th September; 2003 Dated, Thiruvananthapuram. 26th Bhadra

1925. In pursuance of clause (3) of Article 348 of the Constitution of India, the Governor is pleased to authorise the publication in -the Gazette of the following translation in the English language of the Kerala Ceiling on Government Guarantees Act, (30 of 2003). By order of the Governor, A. T. IGNATIUS, Special Secretary (Law) 5 [Translation in English of "2003-oes published under the authority of Governor.] acr 30 OF 2003 'IME ICRALA CEILING ON GOVERNMENT GUARANTEES ACT, An Act Io provide for ceiling on Government guarantees and other matters connected therewith or incidental thereto. Preamble -WHEREAS iq is expedient to- provide for ceiling on Government guarantees issued on behalf of the Government departments, public sector undertakings, local authorities* statutory boards* corporations and co-operative institutions and for promoting fiscal discipline of the State; BE it enacted in the Fifty-fourth Year of the Republic of India as follows:— L Short title and This Act rmy be called the Kerala Ceiling on Government Guarantees Act, 2002. (2) It shall come into force on such date as the Government may, by notification in the Gazette, appoint

2. Definitions.—In this Act, unless the context otherwise requires, (a) "Government" means the Governynent of Kerala; (b) "Government guarantee" includes the guarantee given by •the State Government on behalf of the Government departments; public sector undertakings, local authorities, sta(utory boards, corporations and co-operative institutions; (c) "prescribed" means prescribed by rules made under the Act; (d) "State" means the State of Kerala

3. Ceiling on Government Guarantees—The total outstanding Government guarantees as on the first day of April of any year shall not exceed rupees fourteen thousand crores

4. Prohibition.—Notwithstanding anything contained in any other law for the time being in force, no Government guarantee shall be given in respect of a loan of any private individual, Institution or Company 33/4327/2003/OTP. 6 5. Guarantee The Government shall charge a minimuff Of 0.75 per cent per annum as guarantee cormission, which shan not be waived under any circumstances- (2) Depending on the default risk of any project, the Govemment may, by notification in the Gazette, specify conenission at an enhanced rate- Explanation—F.or the purpose of this section 'default risk' means the probability of default by the borrower on whose behalf the Government guarantee is given, depending on the amount borrowed, the type of industry and the economic situations. (3) The guarantee given shall not be extended on the expiry of the guarantee period unless the borrower had paid in full the guarantee commission due to the government, 6.' Guarantee Redemption The Government shall, by notification in the Gazette, constitute a fund called the Guarantee Redemption Fund. (2) The Guarantee commission charged under section 5 shall form the corpus of the Guarantee Redemption Fund and it shall be in the Public Accounts of the State. (3) The administration of Guarantee Redemption Fund shall be in such manner as may be prescribed

7. Power of Government to make The Government may, by notification in the gazette,- rmke rules for the purpose of carrying into effect dr provisions of this Actr (2) Every rule made under this Act shall be laid, as soon as may be aner it is made, before the Legislative Assembly while it is i.n session for a total period of fourteen days, which rmay be comprised in one session or in •two successive sessions,

and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly makes any modification in the rule, or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule. PRINTED PUBLISHED BY sePERINTENDENT OF RESSES AT THE GOVERN.&NT CEMB.AL. PRESS, THIRUVANANTI-LAPUMM.

