



GOVERNMENT OF KERALA

Finance (Public Undertakings B) Department

C I R C U L A R

No.44 /2011/Fin

Dated, 16/07/2011
Thiruvananthapuram

Sub: - State Government Guarantees on behalf of PSUs/State Organizations, Co-operative bodies – Accounting, monitoring and remittance of guarantee commission- Registers and Statements to be furnished - guidelines Issued.

- Ref: -
1. Kerala Ceiling on Government Guarantee Act, 2003.
 2. G.O.(MS) No.487/2004/Fin dated 16/10/2004.
 3. Circular No.15/2009/Fin dated 24/2/2009.
 4. Recommendations of the PAC (2008-2011) in its 145th report.

Government have issued guidelines for the maintenance of registers for monitoring Government Guarantee and recording transactions relating to Guarantee Commission by the concerned Administrative Departments vide circular read above. In the Government Order 2nd cited, instructions were issued regarding rate, levy and mode of calculation of Guarantee Commission. But it has come to the notice that Some Administrative Departments are not maintaining the registers for monitoring and streamlining the prompt remittance of guarantee commission.

Since full payment of guarantee commission is mandatory before renewal/extension/enhancement of existing guarantee, this needs to be comprehensively monitored. The 145th Report of the PAC (2008-2011), also highlighted serious lapses on the part of the Administrative Departments in maintenance of prescribed registers, timely demanding of guarantee commission and its prompt realization.

Government have examined the matter in detail and are pleased to issue the following instructions for strict compliance.

- (i) Administrative Departments, which provide guarantees to institutions under their administrative control as per KCGG Act 2003, should maintain registers, in the format prescribed in Annexure I, properly for recording Government Guarantees and remittance of guarantee commission due to Government, to ensure timely demand of guarantee commission and interest thereon.
- (ii) The Administrative Departments should invariably assess and collect the guarantee commission due to Government correctly as instructed in the G.O.(MS)No.487/04/Fin dated 16/10/2004 and circular No. 66/2007/Fin dated 18/08/2007.
- (iii) Administrative Departments should issue half yearly demand notice during 1st March and 1st September every year to the institutions concerned demanding remittance of guarantee commission due for the period.
- (iv) All institutions for which Government guarantee is outstanding should furnish half yearly returns of guarantee commission in the prescribed format as in Annexure II as on 1st April and 1st October of every year so as to reach the same by 30th April & 31st October as the case may be in the Administrative Department and Finance Department.
- (v) The Administrative Departments concerned shall consolidate the details received from the institutions under their administrative control and forward the same to Finance Department so that the same reaches in the Finance Department on or before 15th March/November as the case may be.
- (vi) All the Administrative Departments should maintain proper registers for streamlining and monitoring Government Guarantee including renewal/extension/ enhancement of guarantee.

All the Head of Departments/ Administrative Department/ Institutions should follow these instructions scrupulously. Any lapse on this will be viewed seriously.

SANJAY GARG
Secretary (Finance Expenditure)

Forwarded By Order



Section Officer

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
All Secretaries to Government.
All Departments of Secretariat including Law.
All PSUs, Apex Co-operative Bodies, Statutory Corporations, Societies, etc.
All Heads of Departments.
The Stock file / Office copy.

Annexure I

Format of Register to be maintained by Administrative Departments for monitoring and streamlining Government guarantee and realization of guarantee commission

Sl. No.	Name of Institution	Government guarantee		Government Guarantee outstanding at the beginning of the year		Net Additions (+) Deletions (-) during the year		Outstanding at the end of the year		Guarantee Commission outstanding as on the end of the year		Penal Interest if any	Remarks
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Received	Balance		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

Date:

Signature of the Secretary

ANNEXURE II

Half Yearly return to be filed by the Companies, PSUs, Statutory Bodies, Co-operative Institutions, etc
[Vide G.O.(MS)No.487/04/Fin dated 16/10/2004]

Total Government Guarantee outstanding as on the end of the financial year (1)			Guarantee commission @ 0.75% of 1(C) Rs.	Guarantee Commission outstanding if any for previous years Rs.	Penal interest @ 12% for defaulted payments	Total Guarantee Commission to be paid for the financial year	50% of the total guarantee commission to be paid between 1 st and 15 th of April/1 st and 15 th of October	Guarantee commission remitted between 1 st and 15 th April (7)		Remarks
(a)	(b)	(c)	(2)	(3)	(4)	(5) [(3)+(4)]	(6)	(a) Amount Rs.	(b) Chalan No & date	(8)

Note: Returns for the first half year shall reach on or before 30th April and Second half year by 31st October of every year