By Special Messenger

GOVERNMENT OF KERALA
FINANCE (GMC) DEPARTMENT

No.52/GMC2/2011/Fin Dated, Thiruvananthapuram, 9th August 2011.

CIRCULAR

Sub:- Loans and Advances to Public Sector Undertakings, Local Bodies, Corporations, Co-Operative Societies, Individuals etc - Monitoring of recovery - Instructions Issued - Reg.

Ref:- 1. PAC- Forty Seventh Report 2001-04.
2. Circular No.37/GMC-3/06/Fin dated 29.7.2006.
3. Circular No.104/GMC-2/09/Fin dated 28.12.2009.

As per the Circular instructions cited above, Government have issued guidelines in connection with monitoring of repayment of loans and advances to public undertakings, local bodies, corporations, and individuals etc. In order to ensure prompt repayment by the borrower and to strengthen the monitoring of the repayment of principal amount and interest thereon, the following instructions are issued for strict compliance.

1. Terms and conditions of loans and advances in line with guidelines prescribed by the Finance Department from time to time shall invariably be indicated in the Government Orders sanctioning the same to public sector undertakings, local bodies, corporations, co-operative societies, and individuals etc. If loans have already been sanctioned in the past without fixing the terms and conditions, such cases should be reviewed and fresh orders fixing specific terms and conditions should be issued immediately.
2. A copy of the Government Order sanctioning loans and advances must be forwarded to Finance (GMC) Department without fail.
3. The Head of the Department (including the Secretary of the Administrative Department) shall identify the institutions and individuals who defaulted the repayment and take appropriate steps to ensure recovery of the arrears of principal amount and interest. Action Taken Report in this matter along with list of default cases containing details of pending repayment shall be furnished to Finance (GMC) Department on or

before 30-12-2011. Further loans, if any, need not be considered unless the pending payment is cleared by the borrower.

4. The Head of Department (including the Secretary of Administrative Department) shall ensure that outstanding balances of the loans at the end of the financial year are reconciled with figures of the Accountant General.

5. An officer each in the Administrative Department and Office of the Head of the Department shall be entrusted with work of monitoring the repayment of principal and interest of Government loans given to public sector undertakings, local bodies, corporations, co-operative societies and individuals other than loan to Government employees. Details of the officer nominated such as name, designation, phone No. etc are to be forwarded to Finance (GMC) Department from time to time, to ensure prompt follow up action.

6. All the loan disbursing officers should forward a monthly DCB statement of loans to the Heads of Department/Chief controlling officer administering the loan on or before 10th day of the every month together with a certificate as per Article 264A of Kerala Financial code.

7. The Head of Department (including Secretary of Administrative Department) should watch whether the DCB statements together with the certificates are received from their subordinates promptly and should review the same regularly.

8. The Head of Department shall forward a Half Yearly Statement as on 31st March and 30th September to Finance [GMC] Department with a copy to administrative department in the proforma appended to this circular so as to reach Finance [GMC) Department not later than the 30th April and 31st October of every year.

9. All controlling officers/ administrative departments are requested to strictly adhere to the above instructions.

A.K.DUBEY
Principal Secretary (Finance)

To

The Principal Accountant General (Audit), Thiruvananthapuram, Kerala,
The Accountant General (A&E) Thiruvananthapuram, Kerala,
All Head of Departments,
All Sections / Departments of the Secretariat.
All Sections of Finance Department.

Forwarded By Order,

Section Officer.

Annexure

REVIEW OF THE PROGRESS OF RECOVERY OF LOANS AND ADVANCES AS ON .....

Name of Department:

(Rs. in Lakh)

Sl.No.	Name of Institution	Outstanding amount payable to Government at the beginning of the half year.....			Amount collected during the half year			Balance amount outstanding at the end of the half year.....			Remarks
		Principal	Interest/Penel interest	Total	Principal	Interest/ Penel interest	Total	Principal	Interest/ Penel interest	Total	
	Total										

Head of the Department