



GOVERNMENT OF KERALA

Abstract

Taxes Department- Kerala State Financial Enterprises Limited-Enhancement of existing guarantee limits - Sanction accorded-Orders Issued

TAXES(H)DEPARTMENT

G.O.(Rt)No.559/2023/TAXES Dated,Thiruvananthapuram, 18-08-2023

Read 1.Letter No.11101/2212 dated 06.02.2023 from the Managing Director,Kerala State Financial Enterprises Limited,Thrissur.

2.GO (P) No.61/2023/Fin dated 23/06/2023.

ORDER

The Managing Director,Kerala State Financial Enterprises Limited vide letter read (1) above have requested to accord immediate sanction for the enhancement of their existing guarantee limits from the present level of ₹17,000 crores to ₹20,000 crores, so that the deposits remain within the guaranteed limits and thus to ensure the compliance with relevant statutory provisions.

2.The Government have examined the matter in detail and are pleased to accord sanction to enhance the existing guarantee limits of the deposits of Kerala State Financial Enterprises Limited from the present level of ₹17,000 crore to ₹20,000 crore subject to the following terms and conditions;

- i. Guarantee Commission @ 0.75% shall be remitted as per orders in G.O.(Ms) No.487/04/Fin dated 16.10.2004 & Guarantee Act.
- ii. Simple interest @ 12% shall be charged for delayed payments as specified in clause 5 of GO(MS)No.487/2004/Fin dated 16.10.2004.
- iii. Half yearly report shall be sent to Government in Finance Department with attested copies of chalans remitting Guarantee Commission & penal interest, if any, indicating details of guaranteed amount outstanding, guarantee commission payable (with Calculation Statement).

- iv. The remittance of Guarantee Commission dues if any, should be furnished to Government before the execution of deed.
- v. Since Guarantee Commission cannot be waived as per Guarantee Act, the Kerala State Financial Enterprises Limited may evolve a proper mechanism for the strict payment of Guarantee Commission without any fault.
- vi. The Guarantee Deed shall invariably contain the Govt Order No. & date of Government Guarantee, Amount & period of Guarantee and the Ceiling limit as per KCGG Act, 2003 (as amended through Finance Act.2, 2022) & should be got vetted by Government.

The above enhancement is also subject to the following conditions;

1. Kerala State Financial Enterprises Limited is directed to follow the order read (2) above which mandates to pay a minimum dividend of 20% for PSUs with profit after tax above ₹50 crore, and 15% dividend for the PSUs with profit less than ₹50 crore.
2. Since KSFE comes under the purview of Corporate Social Responsibility, a substantial portion of CSR fund may be diverted towards **Victim Compensation Fund** for providing fund for the purpose of compensation to the victims or dependents who have suffered loss or injury as a result of the crime and who require rehabilitation. The Social Justice schemes of the Government requires a lot of money. Hence KSFE should take steps to initiate measures in this direction after consulting Health & Social Justice Department. It will give added incentive to the public to deposit funds/form chitties in the institution.

(By order of the Governor)
VANDANA S K A S
UNDER SECRETARY

To:

- 1.The Managing Director,Kerala State Financial Enterprises Limited, Thrissur
- 2.The Principal Accountant General(A&E),(GSSA) Kerala, Thiruvananthapuram
- 3.The Accountant General (ERSA),Kerala,Thiruvananthapuram
- 4.The General Manager, Reserve Bank of India, Thiruvananthapuram
- 5.The Finance (PU-B) Department (Vide remark No.411561/PU-B3/21/2017/Fin dated 11.07.2023)
6. Information and public Relations Department(Web and New Media)

7.Stock File (H2/63/2023-TAXES)

Forwarded /By order

Section Officer