

Eleventh Kerala Legislative Assembly

Bill No. 75

**THE KERALA INFRASTRUCTURE INVESTMENT FUND (AMENDMENT)
BILL, 2002**

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BILL

to amend the Kerala Infrastructure Investment Fund Act, 1999.

Preamble.—WHEREAS, it is expedient to amend the Kerala Infrastructure Investment Fund Act, 1999, for the purposes hereinafter appearing;

BE it enacted in the Fifty-third Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Infrastructure Investment Fund (Amendment) Act, 2002.

(2) It shall be deemed to have come into force on the 18th day of January, 2002.

2. *Amendment of section 9.*—In the proviso to sub-section (1) of section 9 of Kerala Infrastructure Investment Fund Act, 1999 (4 of 2001) (hereinafter referred to as the principal Act) for the words, “rupees one thousand crores”, the words “rupees two thousand crores” shall be substituted.

3. *Repeal and saving.*—The Kerala Infrastructure Investment Fund (Amendment) Ordinance, 2002 (3 of 2002), is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

Section 9 of the Kerala Infrastructure Investment Fund Act, 1999 provides that the total guarantee issued by the Government for the payment of the principal and interest of any loan proposed to be raised by the Board under

section 8 shall not exceed a sum of rupees one thousand crores. It has been decided by the Government to raise the authorised capital of the Fund constituted under the scheme as per section 3 of the said Act from rupees five hundred crores to rupees one thousand crores. Therefore when the authorised capital is increased, the limit of the Government guarantee of the loan raised by the Board has also to be increased. For this, it has been decided by Government to amend the said Act by increasing the limit of the guarantee under section 8 from rupees one thousand crores to rupees two thousand crores.

2. As the Legislative Assembly was not in session and the amendment had to be brought into force immediately, the Kerala Infrastructure Investment Fund (Amendment) Ordinance, 2002 was promulgated by the Governor and was published as Ordinance No. 1 of 2002 on 18th January, 2002.

3. A Bill to replace the said Ordinance by an Act of the Legislature could not be introduced in and passed by the Eleventh Legislative Assembly in its third session for want of time.

4. WHEREAS, it would face difficulties if the provisions of the said Ordinance were not kept alive, the Kerala Infrastructure Investment Fund Ordinance, 2002 was promulgated by the Governor by incorporating the provisions of the said Ordinance and was published as Ordinance No. 3 of 2002 on 11th April, 2002.

5. This Bill seeks to replace Ordinance No. 3 of 2002 by an Act of the State Legislature.

FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to provide for increasing the limit of the guarantee issued by Government for the loan raised by the Kerala Infrastructure Investment Fund Board upto rupees two thousand crores. It is not possible at this stage to calculate the exact amount to be spent from the Consolidated Fund on account of issuing guarantee to the Board. However, the total amount for guarantee including principal and interest under this item shall not exceed rupees two thousand crores. The liability exceeding that amount would not involve to the Consolidated Fund of the State.

K. SANKARANARAYANAN.

(True Translation)

J. B. RAGINI DEVI,
Additional Law Secretary.

