



GOVERNMENT OF KERALA

Law (Legislation-A) Department

NOTIFICATION*

No. 20484/Leg. A2/99/Law. Dated, Thiruvananthapuram, 10th May, 2000
20th Vaisakha, 1922.

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 Infrastructure Investment Fund Act, 1999 (Act 4 of 2000).

By order of the Governor,

M. A. NISSAR,
Law Secretary.

*Published as Kerala Gazette Extraordinary No. 858 dated, 10th May, 2000.

(Translation in English of “1999-ലെ കേരള അടിസ്ഥാന സൗകര്യ നിക്ഷേപ നിധി ആക്റ്റ്” published under the authority of the Governor)

ACT 4 OF 2000

THE KERALA INFRASTRUCTURE INVESTMENT FUND ACT, 1999

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ACT

to provide for the constitution of a fund for investments in the infrastructure projects in the State and for matters connected therewith or incidental thereto.

Preamble.—WHEREAS it is expedient to constitute a fund for investments in the infrastructure projects in the State and for matters connected therewith or incidental thereto;

BE it enacted in the Fiftieth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Kerala Infrastructure Investment Fund Act, 1999.

(2) It extends to the whole of the State of Kerala.

(3) It shall be deemed to have come into force on the 11th day of November, 1999.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) ‘Board’ means the Kerala Infrastructure Investment Fund Board constituted under section 4;

(b) ‘Financial assistance’ means the types of assistance specified in the Scheme;

(c) ‘Fund’ means the Kerala Infrastructure Investment Fund established under section 3 and the scheme;

(d) ‘Fund Manager’ means the Fund Manager of the Board;

(e) 'Government' means the Government of Kerala;

(f) 'Infrastructure projects' includes projects in the sectors of electric power, roads, irrigation, ports, airports, water supply, inland navigation, solid waste management and drainage or a multipurpose project in anyone or more of these areas;

(g) 'Local Self Government Institution' means a Panchayat at any level constituted under the Kerala Panchayat Raj Act, 1994 (13 of 1994), or a Municipality constituted under the Kerala Municipality Act, 1994 (20 of 1994);

(h) 'Other undertakings' means Public Companies established in the State under the Companies Act, 1956 (Central Act 1 of 1956) in joint sector, where the investment of the Government is not less than forty per cent of the total paid up share capital, or societies established under Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955) or the Societies Registration Act, 1860 (Central Act 21 of 1860) and where Government, Local Self Government Institutions or any Public Sector Undertaking, as the case may be, have not less than fifty per cent of interest in its assets, ownership and management;

(i) 'Public Sector Undertakings' means any Government Company established in the State under the Companies Act, 1956 (Central Act 1 of 1956) or a Co-operative Society registered or deemed to have been registered under the Kerala Co-operative Societies Act, 1969 (21 of 1969) where the Government holds not less than fifty per cent of the share capital, and substantial control over its management and includes public undertakings established under a statute;

(j) 'Schedule' means the Schedule to this Act;

(k) 'Scheme' means the scheme framed under this Act;

(l) "State' means the State of Kerala;

(m) 'Undertakings' means public sector undertakings or other undertakings;

(n) 'Year' means the financial year.

3. *Kerala Infrastructure Investment Fund Scheme.*—(1) The Government may, by notification in the Gazette, frame a scheme to be called the 'Kerala Infrastructure Investment Fund Scheme' for the establishment of a fund under this Act for investments in the infrastructure projects of the State and there shall be established, as soon as may be after the framing of the scheme, a fund in accordance with the provisions of this Act and the scheme.

(2) There shall be credited to the fund,—

- (a) the contribution specified in section 7;
- (b) the amount borrowed by the Board under section 8;
- (c) grants or loans or advances made by the Government or any institution;
- (d) any amount raised by the Board from other sources to augment the resources of the Board;
- (e) any other amount which, under the provisions of the scheme, shall be credited to the fund.

(3) The fund shall vest in, and be administered by, the Board constituted under section 4.

(4) The fund may be utilised for all or any of the following purposes, namely:—

- (a) to finance investments in infrastructure projects in the State;
- (b) to provide financial assistance to public sector undertakings and other undertakings for their investments in infrastructure projects;
- (c) to redeem the bonds and debentures used to raise resources for the fund; and
- (d) for implementation of any other purpose specified in the scheme.

(5) All moneys specified in sub-section (2) shall be deposited into the public account of the Government or with the approval of the Government in any Nationalised Bank and the said account shall be operated by the Fund Manager.

(6) Subject to the provisions of this Act, the scheme framed under sub-section (1) may provide for all or any of the matters specified in sub-section (4) and in the Schedule.

(7) The scheme shall be laid, as soon as may be, after it is framed, before the Legislative Assembly while it is in session for a total period of fourteen days which may be 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 scheme, the scheme shall thereafter have effect only in such modified form; so however that any such modification shall be without prejudice to the validity of anything previously done under the scheme.

4. *Constitution of Board.*—(1) The Government may, by Notification in the Gazette, constitute with effect from such date as may be specified therein, a Board to be called “the Kerala Infrastructure Investment Fund Board” for the administration of the fund and to supervise or carry out the activities financed from the fund.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal and shall by the said name sue or be sued.

(3) The Board shall consist of the following members, namely:—

- (a) the Chief Secretary to Government of Kerala;
- (b) the Principal Secretary (Finance);
- (c) the Secretary (Public Works);
- (d) the Secretary (Irrigation);
- (e) the Secretary (Planning);
- (f) the Secretary (Revenue);
- (g) the Secretary (Finance Resources);
- (h) Two persons who have proven experience in development banking nominated by the Government.

(4) The Chief Secretary shall be the Chairman of the Board.

(5) The Secretary (Finance Resources) shall be the Fund Manager of the Board.

(6) The Board shall administer the fund vested in it in such manner as may be specified in the scheme.

(7) The Board may, with the previous approval of the Government, delegate to the Fund Manager such of its powers and functions under this Act of the scheme, as it may consider necessary for the efficient administration of the fund, subject to such restrictions and conditions, if any, as it may specify.

5. *Term of office of members.*—(1) A member appointed under clause (h) of sub-section (3) of section 4 shall hold office during the pleasure of the Government.

(2) Any member appointed under clause (h) of sub-section (3) of section 4 may resign his membership by giving notice in writing to the Government but shall continue in office until his resignation is accepted by the Government.

6. *Powers and functions of the Board.*—Subject to the provisions of this Act, the Board shall have the following powers and functions, namely:—

- (a) to mobilise resources for the utilisation of the fund;
- (b) to sanction financial assistance to the undertakings as per the scheme;
- (c) to recover the amounts due to the Board from the assisted undertakings as per the recovery schedule;
- (d) to modify, revise or reschedule the recoveries from any of the assisted undertakings as may be considered appropriate;
- (e) to opt for revenue recovery procedures, if found necessary and appropriate, against any of the assisted undertakings in the interest of the Board;

(f) to disburse all expenses relating to the administration of the fund including travel, interest on borrowings, fees, professional charges and other expenses;

(g) to invest any surplus fund of the Board, as may be available from time to time, in such manner as may be specified in the scheme and also to realise such investments;

(h) to review the performance of any undertaking receiving any assistance or loan from the fund on a periodic basis;

(i) to enter into memorandum of undertakings or performance contract with any undertaking under the purview of this Act, on behalf of the Government;

(j) to enter into contracts on behalf of the Board;

(k) to exercise such of the powers and functions, as may be specified in the scheme;

(l) to exercise such other powers and perform such other functions as may be conferred on or entrusted to it by the Government for carrying out the purposes of this Act;

(m) to do all acts necessary for, and incidental to, the carrying out of the functions entrusted or delegated to it.

7. *Contribution to the fund.*—The Government may, after due appropriation by law of the State Legislature, from time to time make such grants, advances and loans to the fund for the purposes of this Act on such terms and conditions as the Government may determine.

8. *Power of the Board to borrow and lend.*—(1) The Board may, from time to time, with the previous sanction of the Government and subject to such conditions as the Government may, by general or special order determine, borrow any sum required for the purposes of this Act whether, by the issue of bonds or debentures or otherwise or by making arrangements with Banks or Institutions approved by the Government in that behalf.

(2) Bonds or debentures issued by the Board under this section shall be issued, transferred, dealt with or redeemed in such manner as the Government, may, by general or special order, direct.

