

The Manipur Ceiling On Government Guarantees Act, 2004

MANIPUR

India

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Act 2 of 2005

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The Manipur Ceiling On Government Guarantees Act, 2004(Manipur Act No. 2 of 2005)Last Updated 7th February, 2020An Act to provide for ceiling on Government Guarantees and other matters connected therewith or incidental thereto.Whereas it is expedient to provide for ceiling on Government Guarantees issued on behalf of the Government departments, public sector undertakings local authorities statutory boards, corporations and co-operative institutions and for promoting fiscal discipline of the State;Be it enacted by the Legislature of Manipur in the Fifty-fifth year of the Republic of India as follows :-

1. Short title and commencement.

(1)This Act may be called the Manipur Ceiling on Government Guarantees Act, 2004.(2)It shall come into force on such date as the State Government may, by notification, appoint.

2. Definition.

- In this Act, unless the context otherwise requires,-(a)"default risk" means the probability of default by the borrower on whose behalf the Government Guarantees is given depending on the amount borrowed, the type of industry and the economic situations.(b)"Government" means the Government of Manipur.(c)"Government Guarantee" includes the guarantee given by the State Government on behalf of Departmental undertakings local authorities statutory boards, corporations and co-operative institutions;(d)"notification" means a notification published in the Official Gazette;

3. Ceiling on Government Guarantees.

- The total outstanding Government Guarantees as on the first day of April of any year shall not exceed thrice the State's Own Tax revenue receipts of the second preceding year of such year as they stood in the books of the Accountant General of Manipur.

4. Prohibition.

- Notwithstanding anything contained in any other law for the time being in force,-(a)No Government Guarantee shall be extended in respect of loan to any private individual institution or company;(b)No Government Guarantee shall be extended to the co-operative institutions or joint ventures with minority share holding (less than 50%) or no management control by the State Government.

5. Guarantee Commission.

(1)The Government shall charge a minimum of one percent as guarantee commission which shall not be waived under any circumstances.(2)Depending on the default risk of the project the Government may, by notification specify commission at an enhanced rate.