

Uttarakhand Ceiling on Government Guarantee Act, 2016

UTTARAKHAND

India

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Act 41 of 2016

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Uttarakhand Ceiling on Government Guarantee Act, 2016(Uttarakhand Act No. 41 of 2016)[Dated 19.12.2016.]An Act to provide for regulation of Government guarantees and other matters connected therewith or incidental theretoBe it enacted by the Legislative Assembly in the Sixty seventh Year of the Republic of India as follows -

1. Short title and commencement.

(1)This Act may be called the Uttarakhand Ceiling on Government Guarantees Act, 2016.(2)It shall come into force on such date as the Government may by notification in the Official Gazette, appoint.

2. Definition.

- In this Act, unless the context otherwise requires -(a)'Government' means the Government of Uttarakhand.(b)'Government Guarantees' includes the guarantee given by the State Government on behalf of Departmental Undertakings, Public Sector Undertakings, Local Authorities, Statutory Boards and Corporations, Cooperative Institutions and other Authorities and Agencies under the Government of Uttarakhand.(c)'Prescribed' means prescribed by rules made under the Act.(d)'Private company' means a private company as defined in Section 3 of the Companies Act, 1956.(e)'Private institution' means who is receives less than 50 per cent of its core funding from Government Agencies.(f)'State' means the State of Uttarakhand.

3. Ceiling on Government Guarantees.

(1)The total outstanding Government Guarantees as on the first day of April of any year shall not exceed 1 per cent of the Gross State Domestic Product estimated for the year.(2)The total outstanding Government Guarantees as on the first day of April of any year shall not exceed 1 per

cent of the Gross State Domestic Product estimated for the years: Provided that under the extreme exigencies and occurrence of natural calamities of the order which require the Government to take immediate fiscal policy measures, the Government may exceed the ceiling prescribed under sub-sections (1) and (2).

4. Restrictions on Government Guarantees.

- Notwithstanding anything contained in any other Acts: (1) The Government Guarantee shall ordinarily be extended by the Government on behalf of the Departmental Undertakings, Public Sector Undertakings, Local Authorities, Statutory Boards and Corporations, Cooperative Institutions and other Authorities and Agencies under the Government. (2) No Guarantees shall be award in respect of loan individual, private institutions or private companies.

5. Guarantees Commission

(1) The Government shall charge a minimum of 1.00 per cent of the amount of guaranteed loan as guarantees 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. Note. - "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.

6. Guarantees Redemption Fund.

(1) The Guarantee Commission charged under Section 5 shall recover from the corpus of the Guarantee Redemption Fund and it shall be remitted in the Public Accounts of the States. (2) The administration of Guarantee Redemption Fund shall be in such manner as may be prescribed.

7. Power of Government to make rules.

- The Government may by notification in the Uttarakhand Gazette, make rules for the purpose of carrying into effect the provisions of this Acts.