

MANIPUR



GAZETTE

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GOVERNMENT OF MANIPUR  
SECRETARIAT: LAW & LEGISLATIVE AFFAIRS DEPARTMENT

NOTIFICATION

Imphal, the 7th January, 2005

No. 2/47/2004-Leg/L.—The following Act of the Legislature, Manipur which received assent of the Governor of Manipur on 5-1-2005 is hereby published in the official Gazette.

TH. KAMINIKUMAR SINGH,  
Deputy Secretary (Law), Govt. of Manipur.

THE MANIPUR CEILING ON GOVERNMENT  
GUARANTEES ACT, 2004  
(Manipur Act No. 2 of 2005)

An  
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:—

Short title  
and com-  
mencement.

1. (1) This Act may be called the Manipur Ceiling on Govern-  
ment Guarantees Act, 2004.

(2) It shall come into force on such date as the State  
Government may, by notification, appoint.

Definition.

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

(a) “default risk” means the probability of default by  
the borrower on whose behalf the Government Gua-  
rantee 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 Depart-  
mental undertakings, local authorities, statutory boards,  
corporations and co-operative institutions;

(d) “notification” means a notification published in the  
*Official Gazette*;

Ceiling on  
Govern-  
ment Gua-  
rantees.

3. 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.

Prohibition.

4. 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 mino-  
rity share holding (less than 50%) or no management  
control by the State Government.

Guarantee  
Commi-  
ssion.

5. (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 commi-  
ssion at an enhanced rate.