

550
No. 23663 /F
SG-3/2003

GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

...

OFFICE MEMORANDUM

Bhubaneswar, dated the 4th June, 2003

Sub:

Criteria and guidelines to be followed for Government guarantees for loans by Public Sector Undertakings/Urban Local Bodies/Co-operative Institutions and Companies etc.- clarification regarding reduction of guarantee and payment of guarantee commission thereon.

The State Government in Finance Department have prescribed the criteria and guidelines to be followed for Government guarantees for loans by Public Sector Undertakings/Urban Local Bodies/Co-operative Institutions and Companies etc. in Resolution No.52214/E, dt.12.11.02. In para-7 of the Resolution, it has been emphasised that "guarantee commission in any case of guarantee shall be recovered on the maximum amount of guarantee sanctioned irrespective of the amount availed or outstanding on 1st April each year till liquidation of the loan".

2. References have been received from some Departments with regard to payment of guarantee commission on the actual amount of loan availed or loan outstanding after repayment made from time to time instead of maximum amount of guarantee sanctioned by Government on the ground that the Government's liability is limited to the outstanding loan only.

3. After careful consideration of the proposals, it is clarified that the borrowing organisations shall pay guarantee commission on the reduced amounts on repayment of the loan from time to time if the financial institution certifies that the loan or a portion of the loan availed on State Government guarantee has been repaid. However, guarantee commission will be calculated on the reduced outstanding guarantee with effect from succeeding 1st day of April. Concurrence of Finance Department for reduction of guarantee shall be obtained by the Administrative Departments on production of proof of payment of up-to-date guarantee commission, letter of the financial institution certifying repayment of the loan and other supporting papers.

P.K. Mishra ,

SPECIAL SECRETARY TO GOVERNMENT

P.T.O.

Memo No. 23664 (13) /F.,

Date. 4.6.03

Copy forwarded to A.G.(A&E), Orissa, Bhubaneswar/
Principal A.G.(Audit-I), Orissa, Bhubaneswar/A.G.(Audit-II), Orissa,
Bhubaneswar for information in continuation of this Department
Memo No.52217/F, dt.12.11.02.

Signature
A/G/11/03
SPECIAL OFFICER-CUM-
JOINT SECRETARY TO GOVERNMENT

Memo No. 23665 (1240) /F.,

Date. 4.6.03

Copy forwarded to All Departments of Government/
All Heads of Departments for information in continuation of this
Department Memo No.52218(228)/F, dt.12.11.02.

This may be brought to the notice of all
organisations under the administrative control of the Department/
Heads of Department.

Signature
A/G/11/03
SPECIAL OFFICER-CUM-
JOINT SECRETARY TO GOVERNMENT

Memo No. 23666 (190) /F.,

Date. 4.6.03

Copy forwarded to all PSUs/Co-operatives/ULBs for
information in continuation of this Department Memo No.52219(170)/F,
dt.12.11.02.

Signature
A/G/11/03
SPECIAL OFFICER-CUM-
JOINT SECRETARY TO GOVERNMENT

Memo No. 23667 (20) /F.,

Date. 4.6.03

Copy to all Budget & Expenditure Branches/Codes
Branch, Finance Department for information in continuation of this
Department Memo No.52220(26)/F, dt.12.11.02.

Signature
A/G/11/03
SPECIAL OFFICER-CUM-
JOINT SECRETARY TO GOVERNMENT

Memo No. 23668 /F.,

Date. 4.6.03

100 (one hundred) copies to Guard File in
continuation of this Department Memo No.52221(100)/F, dt.12.11.02.

Signature
A/G/11/03
SPECIAL OFFICER-CUM-
JOINT SECRETARY TO GOVERNMENT

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