

TOP PRIORITY

GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

No. SG 3/2002 ^{***}54323(14)F., Dt. 26.11.02

From

Shri P.K. Mishra,
Special Secretary to Govt.

To

The Principal Secretary/ Commissioner-cum-Secretary to Govt., S.T. & S.C. Development Deptt./ Water Resources Deptt./ Industries Deptt./ Energy Deptt./ Agriculture Deptt./ Fisheries & Animal Resources Development Deptt./ Forest & Environment Deptt./ Transport Deptt./ Commerce Deptt./ Information Technology Deptt./ G.A. Deptt./ Cooperation Deptt./ H. & U.D. Deptt./ Women & Child Development Department.

Sub: *Surrender/Closure/Reduction of Govt. Guarantees by the P.S.Us/ Co-operatives/ Urban Local Bodies and other institutions etc.*

Sir,

The State Government have been considering imposing a ceiling limit on the amount of Guarantees. It has been decided that "The total outstanding Govt. Guarantees as on 1st day of April every year shall not exceed 100% of the State Revenue receipts of the 2nd preceding year, as reflected in the books of the Accounts maintained by the Accountant General. It has further been decided that this would gradually be brought to the level of 80% over the next five years" vide FD. Resolution No. 52214/F., dated 12.11.2002.

2. At present, the outstanding Guarantees exceed the limit as mentioned above for which the State Govt. are not in a position to provide further Govt. Guarantee to any organisation unless the outstanding Guarantees are cleared soon and surrendered by the borrowing organisation through the Administrative Deptt. along with surrender of the unavailed/unutilised Govt. Guarantee to reduce the Guarantee burden of the State Govt.

3. All organizations availing of Government Guarantee are required to pay "Guarantee Commission"/Fee on the maximum amount of Guarantee sanctioned, which is payable on 1st April each year irrespective of the amount availed or outstanding till final liquidation of the loan. If the unavailed/ unutilised Guarantees are surrendered, then only the Guarantee Fee can be reduced from the date of Surrender and it will be charged on the reduced amount. The succeeding paragraphs spelt out detailed procedure regarding comprehension of guarantee fee.

4. Where the loan amount has been fully paid (both principal and interest), proposal for surrender/ closure of Govt. Guarantee is to be processed in the relevant file for obtaining concurrence of Finance Department with the following papers/documents with detailed facts and figures for appraisal of Finance Department .

- (a) G.O .No & Date of Sanction of Govt. Guarantee with copy of G.O
- (b) Clearance Certificate /No due certificate from the Financial Institution to the effect that “the borrowing organization has fully paid the loan dues with interest and no dues are outstanding against the borrowing organisation.”
- (c) Return of Guarantee documents (Deed of agreement) by the Financial Institution duly cancelled by the Administrative Department.
- (d) Details regarding Guarantee fee due and paid with supporting Treasury Challan or adjustment order, if any.
- (e) Prof of payment of guarantee fee in full in the proposed case.

5. Unavailed/unutilised Guarantee proposal may be processed in the relevant file for obtaining F.D.s’ concurrence for surrender with the following papers/documents.

- (a) Where Guarantee has been sanctioned but not availed by the borrowing organisations, the Administrative Department may furnish the following documents in the file with detailed facts and figures for appraisal of Finance Department.
 - (i) Copy of G.O. where Govt. Guarantee was sanctioned.
 - (ii) Guarantee Deed duly cancelled by the Administrative Department, if executed, and if not executed the A/D should record a certificate to the effect that “although Guarantee was sanctioned, Guarantee deed has not been executed so far and the organisation has not availed loan from the Financial Institution.”
 - (iii) Guarantee fee paid till date with supporting Treasury Challan.
- (b) Where Govt. Guarantee has been sanctioned and the organization availed loan less than the sanctioned amount or the organization desires to reduce the Guarantee to the extent of loan outstanding for less payment of Guarantee fee, the Administrative Department may furnish the following documents in the file with detailed facts and figures for appraisal of Finance Department.
 - (i) Copy of original G.O. where original Guarantee was sanctioned.
 - (ii) Copy of Guarantee Deed.
 - (iii) Supporting Treasury Challan towards payment of up to date Guarantee fee.
 - (iv) Revised/Modified proposed Guarantee sanction order.

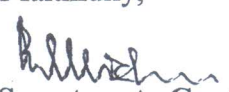
(v) Any other papers/documents.

6. Unless up-to date guarantee fees are paid in full by the borrowing organisation, it will not possible to consider the proposal of the Administrative Department for closure/ cancellation/ reduction/ surrender of Guarantee.

7. It is therefore requested that necessary steps may be taken at your level to process the relevant files for surrender/closure/reduction of Govt. Guarantee with payment of upto date Guarantee fee etc. as indicated at para-4 and 5 above so as to reduce the Guarantee burden of the State Govt. and affect necessary reduction in payment of Guarantee Fee by the Borrowing Organisations. Unless the above actions are taken latest by 31st December 2002 it may not be possible on the part of the State Govt. to provide any further Guarantee.

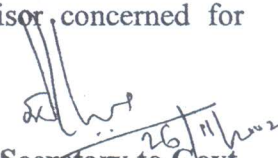
8. This may kindly be taken up on TOP PRIORITY.

Yours faithfully,


Special Secretary to Govt.

Memo No. 54324 (14) /F., dated 26-11-02

Copy forwarded to the Financial Advisor/Asst. Financial Advisor concerned for information and immediate follow up action.


Joint Secretary to Govt.

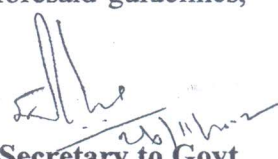
Memo No. 54325 (148) /F., dated 26-11-02

Copy forwarded to the O.B.C. Finance & Development Cooperative Corporation, Kalpana Area, Bhubaneswar/ S.C. & S.T. Finance and Development Cooperative Corporation, Kalpana Area, Bhubaneswar/ S.C. & S.T. (minorities) Chhanelising Agency, Kalpana Area, Bhubaneswar/ O.C.C. Ltd., Post Box No-82, Unit-8, Bhubaneswar/ O.L.I.C., near Kalyan Mandapa, Nayapally, Bhubaneswar/ Orissa Small Industries Corporation Ltd., Industrial Estate, Khapuria, Cuttack/ Mahila Vikash Samabaya Nigam, Qr. No.-A/5-Unit-5, BBSR/ IPICOL, IPICOL House, Janapath, Bhubaneswar/ IDCO, IDCO Tower, Janapath, Bhubaneswar/ Orissa Tea Plantation, 26-Shakespear Sarani, Calcutta/IDCOL, IDCCCOL House, Ashok Nagar, Unit-II, Post Box No.-78, Bhubaneswar/ Orissa State Cooperative Handicraft Corporation, Rasulgarh, Bhubaneswar/ O.S.F.C., O.M.P. Square, Cuttack/O.S.E.B. (GRIDCO), Janapath, Bhubaneswar/O.P.G.C., Aloka Varati Complex, Sahidnagar, Bhubaneswar/ O.H.P.C., Police Housing Corporation Building, Vanivihar Square, Bhubaneswar/ Orissa Agro Industries Corporation, Satyanagar, Bhubaneswar/

OMFED Ltd., Sahid Nagar, Bhubaneswar/ Utkal Gomangal Samiti, Mangalabag, Cuttack/ Orissa State Handloom Development Corporation Ltd., Janapath, Bhubaneswar/ O.T.M. Choudwar, Cuttack/ Kalinga W.C. Spinning Mills, Dhenkanal/ Utkal W.C. Spinning Mills Ltd., Khurda/ Shree Jagannath W.C.S. Mills Ltd., Nuapatna, Athagarh, Cuttack/ Gangapur W.C.S. Mills, SPINFED Office, 4 -Janapath, Satyanagar, Bhubaneswar/ Shree Sarala W.C.S. Mills, Tirtol, Dist:-Jagatsinghpur/ Shree Gopinath W.C.S. Mills, Baliapal, Dist. Balasore/ Orissa State Powerloom W.C.S. Ltd., Managing Director, Spinning Mills Federation, Ganganagar, Bhubaneswar/ Orissa State Cooperative Bank Ltd., Jawharlal Marg, Bhubaneswar/ Orissa W.C.S. Mills, Baragarh, At/Po/Dist: Baragarh/ Orissa Forest Development Corporation, A/84 -Kharavela Nagar, Bhubaneswar-751001/O.S.R.T.C., Paribahan Vaban, A.G. Square, Bhubaneswar/ Orissa State Commercial Transport Corporation, Old Secretariat. Post Box No.-I, Cuttack/ Konark TV Ltd., Sahidnagar, Bhubaneswar/ Elmarce Ltd., Sahidnagar, Bhubaneswar/ Ipitron Times Ltd., Mancheswar Industrial Estate, Bhubaneswar/ Elcomos Electronics Ltd., Sahidnagar, Bhubaneswar/ B.D.A., Sachivalaya Marg, Bhubaneswar/ Orissa State Warehousing Corporation Ltd., Plot No.-2, Cuttack Road, Bamikhal, Bhubaneswar/ Banki, R.C.M.S., At/Po.Banki, Dist: Cuttack/ Jagatsinghpur R.C.M.S., At/Po/Dist: Jagatsinghpur/ Deogarh R.C.M.S./ At/Po/Dist:Deogarh/ Athagarh R.C.M.S.,At/Po. Aathagarh, Dist: Cuttack/ Padmapur R.C.M.S., At/Po. Padmapur, Dist: Baragarh/ Anugul R.C.M.S., At/Po/Dist: Anugul/ Jatni R.C.M.S., At/po. Jatni, Dist: Khurda/ Sambalpur-Bamara R.C.M.S., Bamara, Dist: Sambalpur/ Bolangir R.C.M.S., At/po/Dist: Bolangir/ Baripada R.C.M.S., At/Po. Baripada, Dist: Mayurbhanj/ Gopabandhu Sital Vandar, Jagatsinghpur/ Orissa State Cooperative Bank, Sachivalaya Marg, Bhubaneswar/ Panchayata Samiti Cooperative Cold Storage, Kotinda, Aska/ Baragarh Cooperative Sugar Mills, At/Po/Dist: Baragarh/ Baramba Cooperative Sugar Industries Ltd., At/Po. Baramba, Dist: Cuttack/ Nayagarh Cooperrative Sugar Industries, At/Po/Dist: Nayagarh/ Banki P.G.S. and M.C.S., At/po: Banki, Dist:: Cuttack/ Chanrapada Denua P.G.S. & M.C.S., At/Po: Nimapara, Dist: Puri/ Danpur J.M.C.S. Ltd., At/Po : Danpur, Dist: Kendrapara/ O.S.C.M. Federation Ltd., Kalpana Area, Bhubaneswar/ Bapuji P.G.S. & M.C.S., At/Po. Bahugram, Dist: Cuttack/ Cuttack Development Authority, Cuttack/ B.D.A., Sachivalaya Marg, Bhubaneswar/ Berhampur Developemnt Authority, Berhampur/ Sambalpur Development Authority, Sambalpur/ Rourkela Development Authority, Sundargarh/ Ganjam Regional Improvement Trust, Bhanjanagar/ Koraput Regional Improvement Trust, Koraput/ Puri-Konark Regional Improvement Trust, Puri/ Special Planning Authority, Baripada, Mayurbhanj/ Basudevpur, At/Po. Basudevpur, Dist. Bhadrak/ Talcher-Anugul Development Authority, Anugul/ Orissa Rural Housing and Development

Corporation, Ashok Market Complex, Master Canteen Square, Bhubaneswar/ Orissa State Housing Board, Sachivalaya Marg, Bhubaneswar/ Orissa Water Supply and Sewerage Board, Satyanagar, Bhubaneswar/ Cuttack Municipal Corporation, Cuttack/ Bhubaneswar Municipal Corporation, Bhubaneswar. Sundargarh Municipality, Sundargarh/ Sonepur/ Bhadrak/ Choudwar/ Baripada/ Bolangir/ Dhenkanal/ Berhampur/ Bhawanipatna/ Rajgangpur/ Jeypore/ Rourkela/ Balasore/ Baragarh/ Basudevpur/ Pipili/ Hirakud/ Boudhagarh/ Joda/ Sambalpur/ Gunupur/ Brajarajnagar/ Rayagada/ Puri/ Jharsuguda/ Jaipur/ Khalikote/ Rambha/ Keongarhgarh/ Barbil/ Nowrangpur/ N.A.Cs., Basudevpur/ Jaleswar/ Titilagarh/ Sorada/ Patnagarh/ Khariar/ Balugaon/ Banki/ Konark/ Patamundai/ Aska/ Nimapara/ Ganjam/ Tarava/ Karanja/ Padmapur, Dist: Bargarh/ Kashinagar/ Gopalpur/ Kabisuryanagar/ Polsara/ Jajpur Road/ Balimela/ Khariar Road/ Junagarh/ Sunabeda/ Chhatrapur/ Kantabanjhi/ Umerkote/ Udala/ Digapahandi/ Anandapur/ Malkangiri/ Chikiti/ Rairangpur/ Kamakhyanagar/ Jagatsinghpur/ Jatani/ Koraput/ Khurda/ Nayagarh for information and necessary action.

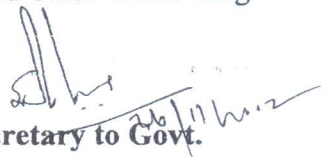
They are requested to furnish proposals for Surrender/Closure/reduction of Govt. Guarantee to the concerned Administrative Deptt. forthwith as per the aforesaid guidelines, for obtaining concurrence of Finance Department.


Joint Secretary to Govt.

Memo No. 54326(7) /F., dated 26.11.02

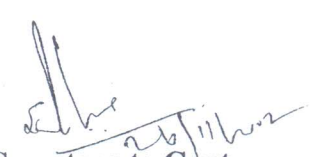
Copy forwarded to Works-I/Works-II/G.S-II/E.S-I/E.S-II/E.S-III/S.S.II Branch Finance Department for information and necessary action in continuation of this Deptt. Memo No.19133 (6) dated 2.4.2002.

They are requested to disallow further Financial Assistance or adjust the Guarantee Fee out of the grants-in-aid, Subsidy and other financial assistance etc. while considering proposals for release in favour of the PSUs /Co-operatives/ULBs and such other Borrowing Organisations, in consultation with the C & I Branch.


Joint Secretary to Govt.

Memo No. 54327(20) /F., dated 26.11.02

20 (Twenty) Copies to Guard File .


Joint Secretary to Govt.