

FINANCE DEPARTMENT

OFFICE MEMORANDUM

No. 14934 S. G.-3/90/F.

The 2nd May 1990

Sub:—Guarantee given by Government for loans by Local Bodies, Co-operative Institutions, Companies, Corporations, etc.—Criteria and procedure to be followed.

State Government provide guarantee on behalf of various organisations so as to enable them to avail credit from Institutional financing agencies for various schemes. The State Government while providing such guarantee, charge a nominal fee for this service and the fee is charged on the maximum amount of guarantee.

It has come to the notice of Government that the Principal debtors, while paying guarantee fee to the State Government are calculating the same on the basis of the loan actually availed or loan outstanding, instead of the maximum amount of loan guaranteed on the ground that Government liability is limited to the outstanding loan only. This assumption is not correct for the simple reason that while the Government provides guarantee for a particular amount of loan the liability of the State is more than that since payment of interest is included in the guarantee and the amount of interest guaranteed is not known.

It is, therefore, clarified for the information of all concerned that guarantee fee when charged 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 unless otherwise provided in the guarantee rules. Any loss of revenue in this regard will be recovered from the person who is responsible collecting the guarantee commission.

P. K. PATNAIK

Commissioner-Cum-Secretary
to Government

FINANCE DEPARTMENT

OFFICE MEMORANDUM

No. 25035-CODES-18/90/F.

The 24th July 1990

Sub:—Increase in monetary limit for purchase of Bi-cycle for official use.

The undersigned is directed to say that the monetary limit for purchase of Bi-cycle for use in Government offices was last fixed at Rs. 650/- in Finance Department O. M. No. 11066-Codes-17/88/F., dated 24th March 1988.

2. Due to rise in the prices it has now been decided to revise the said monetary limit to Rs. 760/- (Rupees Seven hundred sixty) including the cost of fitting charges, accessories like seat, carrier, bell, lock, stand, etc., and all taxes. Purchase should be made at the lowest tendered price after observing the normal formalities.

3. This Order shall take effect from the date of issue.

P. K. PATNAIK

Secretary to Government