

**The Goa State Guarantees (Fifth Amendment)
Bill,2015**

(Bill No. 22 of 2015)

**A
BILL**

further to amend the Goa State Guarantees Act, 1993 (Goa Act 16 of 1993).

BE it enacted by the Legislative Assembly of Goa in the Sixty- Sixth Year of the Republic of India as follows:-

1. Short title and commencement – (1) This Act may be called the Goa State Guarantees (Fifth Amendment) Act, 2015.

(2) It shall come into force at once.

2. Amendment of section 3. In section 3 of the Goa State Guarantees Act, 1993 (Goa Act 16 of 1993), in sub-section (1), for the expression “Rs. 800.00 Crores”, the expression “Rs.1500.00 Crores” shall be substituted.

Statement of Objects and Reasons.

In terms of sub-section (1) of section 3 of the Goa State Guarantees Act, 1993 (Goa Act 16 of 1993), the limit upto which the executive power of the State Government shall extend to the giving of guarantees as provided in clause(1) of Article 293 of the Constitution of India, shall be sum of Rs.800.00 Crores only. Out of the ceiling limit of Rs.800.00 Crores, the Government has already issued guarantees to various Corporations/Autonomous bodies to the extent of Rs.624 Crores. Balance remaining is Rs.176 Crores. Although, some Corporations/Autonomous bodies have repaid the loan/credit facility availed by them, to the tune of Rs.72 Crores, this amount cannot be re-used as guarantee as most of the cases are under Block Guarantee, which cannot be revoked.

In view of the fall in the interest rate, Corporations, such as, Economic Development Corporation, Kadamba Transport Corporation, are able to get loans from Financial Institutions at lower rate of interest. They are approaching Government for guarantee. Corporations, such as Goa State Infrastructure Development Corporation are undertaking various infrastructure related projects in the State by availing loan at low rate of interest from financial institutions.

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Further, the limit of Rs.800.00 crores as fixed in 2005 has lost much of its value in wake of significant rise in inflation and raise in wholesale and consumer price indices.

In view of the reasons stated above, it is proposed to increase the limit of giving guarantees from the present limit of Rs.800.00 Crores to Rs.1500.00 Crores by suitably amending sub-section (1) of section 3 of the said Act, 1993.

This Bill seeks to achieve the above objects.

Financial Memorandum

Financial implications of the proposed Bill will arise only when Government Guarantees are invoked against the State Government, and the liability shall then be charged to the Consolidated Fund of the State.

The amount involved in such cases cannot be foreseen at this stage.

Memorandum Regarding Delegated Legislation

No delegated legislation is envisaged in this Bill.

Porvorim – Goa
August,2015

Laxmikant Parsekar
Chief Minister

Assembly Hall
Porvorim – Goa
August,2015

Secretary to the
Legislative Assembly of Goa

Governor's Recommendation under Article 207 of the Constitution of India

In pursuance of Article 207 of the Constitution of India, I.Mrudula Sinha, the Governor of Goa, hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa State Guarantees (Fifth Amendment) Bill, 2015, by the Legislative Assembly of Goa.

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Governor.

The Goa State Guarantees Act, 1993
(Act No. 16 of 1993)

Fixation of limit upto which State may give guarantees:-

- (1) The limit upto which the executive power of the State Government shall extend to the giving of guarantees including guarantees given before the commencement of this Act as provided in clause (1) of Article 293 of the Constitution of India, shall be sum of Rs.800.00 Crores.
- (2) The State Government shall lay before the State Legislature:-
 - (a) a statement of any guarantee given not later than 6 months from the close of each financial year.
 - (b) within 6 months after the close of any financial year.