



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

**The Goa State Guarantees
(Fourth Amendment) Bill, 2005**

(Bill No. 12 of 2005)

^{AS}
~~To~~ be introduced in the Legislative Assembly of the State of Goa

GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM, GOA
6TH JANUARY, 2005

**THE GOA STATE GUARANTEES
(FOURTH AMENDMENT) BILL, 2005**

(BILL No. 12 of 2005)

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BILL

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

10 BE it enacted by the Legislative Assembly of
Goa in the Fifty-fifth Year of the Republic of India
as follows :-

1. *Short title and commencement.*— (1) This
Act may be called the Goa State Guarantees
(Fourth Amendment) Act, 2005.

(2) It shall come into force at once.

15 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.700.00 Crores”, the expression “Rs.800.00
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 the sum of Rs.700.00 Crores only. Out of the ceiling limit of Rs.700.00 Crores, the Government has issued guarantees to various institutions/Corporations to the extent of Rs.669.20 Crores. Balance remaining is Rs.30.80 Crores. Although, some corporations/institutions have repaid the loan/credit facility availed by them, to the tune of Rs.42.32 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 at a lower rate of interest. They are approaching Government for guarantee. Corporations like 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.

In view of the reasons stated above, it is proposed to increase the limit of giving guarantees from the present limit of Rs.700.00 Crores to Rs.800.00 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 charged to the Consolidated Fund of the State.

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

Memorandum Regarding Delegated Legislative

No delegated legislation is envisaged in this Bill.

Panaji-Goa.
6th January, 2005.

Manohar Parrikar
Chief Minister

Assembly Hall,
Porvorim-Goa.
6th January, 2005.

Sudhir A. Narvekar
Secretary (Legislature)

Governor's Recommendation under Article 207 of the Constitution

In pursuance of Article 207 of the Constitution of India, I, S.C. Jamir, the Governor of Goa, hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa State Guarantees (Fourth Amendment) Bill, 2005 by the Legislative Assembly of Goa.

(S. C. JAMIR)
Governor

ANNEXURE

.....
The Goa State Guarantees Act, 1993
(Act No. 16 of 1993)
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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 the sum of Rs. 700.00 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.