NOTIFICATION

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 13th day of December, 2000 is hereby published for general information:

THE SIKKIM CEILING ON GOVERNMENT GUARANTEES ACT, 2000

(ACT NO. 21 OF 2000)

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ACT

to provide ceiling on Government Guarantees and other matters connected therewith.

Be it enacted by the Legislature of Sikkim in the Fifty-first year of the Republic of India as follows:-

| Short title and commencement | 1 (1) This Act may be called Sikkim Ceiling on Government Guarantee Act 2000.  
|  | (2) It shall come into force at once. |
| Definitions | 2 In this Act, unless the context otherwise requires:-
| | “Default risk “ means the probability of default by the borrower on
| | (a) whose behalf the Government Guarantee is given, depending on the
| | Amount borrowed, the type of industry and the economic situations.
| | “Government” means the State Government of Sikkim.
| | “Government Guarantee” includes the guarantee given by the State
| | (b) Government on behalf of Departmental Undertakings, Public Sector
| | Undertakings, Local Authorities, Statutory Boards and Corporations and
| | Co-operative institution
| Ceiling on Government Guarantees | 3. The total outstanding Government Guarantees as on the first day of
| | April of any year shall not exceed thrice the State’s tax revenue receipts
| | of the second preceding year as in the books of the Accountant
| | General of Sikkim.
| Prohibition | 4 Notwithstanding any thing contained in any other law, no Government
| | Guarantee shall be given in respect of a loan of any private individual,
| | institutions or company.
| Guarantee | 5 (1) The Government shall charge a minimum of one percent as
| | guarantee Commission which shall not be waived under any circumstances.
| | (2) The Government may, by notification in the Official Gazette specify
| | Commission at an enhanced rate depending on the default risk of the
| | Project.

By Order of the Governor.

T.D. Rinzing
Secretary to the Government of Sikkim
Law
Department
F.No. 16(82)LDF/2000