

... F. No. 12(3)-B(SD)/2022
Ministry of Finance
Government of India
Department of Economic Affairs
(Budget Division)

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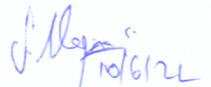
North Block, New Delhi
Dated 10th June, 2022

OFFICE MEMORANDUM

Subject: Authority to issue Letter of Comfort-reg.

Reference is invited to Budget Division's OM of even number dated 31.03.2022 prohibiting any government entity issuing Letter of Comfort (LoC). In view of the foregoing and considering that the CPSE-NBFCs are important players in the infrastructure sector, it has been decided that CPSE-NBFCs may issue LOCs on the following conditions:

- (i) The lender should be a NBFC registered with RBI.
 - (ii) NBFCs should be involved in infrastructure sector.
 - (iii) LOCs shall be provided to Banks only for opening Letter of Credit for supply of goods and services by foreign suppliers
 - (iv) Most importantly, the LOC should clearly incorporate a clause "**Under no circumstances, the liability under this Letter of Comfort shall devolve on Government of India**".
2. This issues with the approval of Finance Secretary & Secretary (Expenditure).



(S. R. Raja)

Under Secretary (Budget)

Tele/email: 23094966/raja.sr@nic.in

To
Financial Advisors of all Ministries/Departments

F. No. 12(3)-B(SD)/2022
Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division

Room No. 221-A, North Block,
New Delhi, the 31st March, 2022

Office Memorandum

Subject: Authority to issue of Letter of Comfort – regarding.

The undersigned is directed to refer to this Ministry's O.M. No. F.No.1(23)-B(AC)/2017 dated 27.12.2017 (copy enclosed) on the subject cited above and to state that the authority to issue 'Letters of Comfort' by Ministries/Departments/ any entity of Government of India, stands withdrawn with immediate effect. Henceforth, no letters of comfort will be issued by any entity within the Government.

2. Receipt of this communique shall be acknowledged.
3. This issues with the approval of competent authority.


(Sanjay Rawat)
Under Secretary to the Govt. of India
Telefax: 23095251

To,

Financial Advisors of all Ministries/Departments