

File No5/58/2017-IDEAS  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
Bilateral Cooperation Division

North Block, New Delhi  
Dated 10<sup>th</sup> August, 2018

OFFICE MEMORANDUM

**Subject:- Guidelines on Concessional Financing Scheme(CFS) to support Indian Entities bidding for strategically important infrastructure projects abroad.**

In supersession of the guidelines issued by this Department vide O.M.No.16(6)/2015-MR III, dated 16-9-2015 on Concessional Financing Scheme(CFS) to support Indian Entities bidding for strategically important infrastructure projects abroad, a new set of guidelines have been finalized on CFS with the approval of the competent authority and same are being issued as below:-

- (i) The scheme envisages Government of India (hereinafter referred to as GoI) to provide counter guarantee and interest equalization of 2 % to the EXIM Bank to offer concessional finance to any foreign Govt. or foreign Govt. owned or controlled entity; If any Indian Entity succeeds in getting contract for the execution of a project tendered by such foreign entity and the project is considered strategically important. Indian Entity, should be constituted, incorporated, registered in and operating in accordance with the provisions of the laws of India, as evidenced by its articles of incorporation and its registration documents. Such Indian entities may be engaged as Project Management Consultants /Contractors for implementation of the project (including for supply of goods and services).
- (ii) The strategic importance of a project to deserve financing under this Scheme, will be decided, on a case to case basis, by a Committee(hereinafter referred to as Empowered Committee) chaired by Secretary, Department of Economic Affairs(DEA) and will have members from Department of Expenditure(DoE), Ministry of External Affairs(MEA), Department of Industrial Promotion and Policy(DIPP), Department of Commerce(DoC), Department of Financial Services(DFS) and Ministry of Home Affairs(MHA). The Deputy National Security Adviser will also be a member of this Committee.
- (iii) MEA while submitting such proposals to DEA will ensure that entities whose ownership or control rests with nationals of countries considered inimical to Indian interests are excluded. While submitting such proposals, MEA will place full details about the ownership and control before the Empowered Committee so as to eliminate completely the chances of any entity considered inimical to Indian interests getting benefits under the CFS. MEA will also inform the Empowered Committee regarding the performance of the foreign Govts. in repaying Indian loan [such as under GoI supported Lines of Credit(LoCs) etc.].

**P.T.O.**