

**F. No. 12(7)-B (SD)/2021**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Budget Division**

North Block, New Delhi  
Dated the 7th June, 2021

**Subject: Requirement of Govt. guarantees during the financial year 2021-2022 by CPSUs/ Entities- Prioritization of guarantee requirement-reg.**

FRBM Rules stipulate that Govt. cannot guarantee more than 0.5% of GDP of the respective financial year to CPSEs/entities. Often, the requirement of guarantee by the Ministries/Departments is more than the available space. Therefore, there is need to prioritize guarantee requirement for each financial year.

2. All the Ministries/ Departments are requested that prioritised guarantee requirement for FY 2021-2022 may be worked out and only such proposals where the loan agreement can be signed and guarantee agreements can be executed during the current financial year may be included. The guarantees already approved by Budget Division but not executed till 31<sup>st</sup> March, 2021 also needs to be revalidated through Budget Division. Therefore, such proposals may also be included in the total guarantee requirement for FY 2021-2022. **The information sought is only to have an overall picture of Guarantee requirement for 2021-2022 and to allocate guarantee space. Mere projection of the guarantee requirement and allocation of space should not be construed that guarantee has been approved by the Competent Authority.** Separate formal proposals would need to be sent by the Ministries/Departments following the due procedure prescribed under Chapter 11 of GFRs 2017, as and when the actual guarantee is required.

3. The requirement of guarantee for the Financial Year 2021-22 may be furnished as per format attached at Annexure. 'NIL' information may also be sent. The information may be sent via email at [raja.sr@nic.in](mailto:raja.sr@nic.in)/[nikesh.mudgal@nic.in](mailto:nikesh.mudgal@nic.in) latest by 15.06.2021. It is highlighted that beyond 15.06.2021, no request of requirement of guarantee space will be entertained and guarantee space will be allocated on the basis of information received upto 15.06.2021.

  
(S. R. Raja)

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To

All Financial Advisors of Ministries/Departments.

