

F. No. 12(8)-B (SD)/2019
Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division

North Block, New Delhi
Dated the 16th April, 2019

Subject: Requirement of Govt. guarantees during the financial year 2019-2020 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 of the current financial year 2019-20.

2. All the Ministries/ Departments are requested that prioritised guarantee requirement for FY 2019-20 may be worked out to include only such proposals where the loan agreement can be signed and guarantee agreements can be executed during the current financial year. The guarantees already approved by Budget Division but not executed till 31st March, 2019 also needs to be revalidated through Budget Division. Therefore, such proposals may also be included in the total guarantee requirement for FY 2019-20. **The information sought is only to have an overall picture of Guarantee requirement for 2019-20 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 2019-20 may be furnished as per format attached at Annexure. 'NIL' information may also be sent. The information may be sent to the undersigned by dak and email latest by 30.04.2019. It is highlighted that beyond 30.04.2019, no request of requirement of guarantee space will be entertained and guarantee space will be allocated on the basis of information received upto 30.04.2019.


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To

1. All Secretaries to the Government of India.
2. All Financial Advisors of Ministries/Departments.

