

URGENT

F. No. 12(10)-B(SD)/2020
Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division

Room No. 221-A, North Block,
New Delhi, the 11th May, 2020.

OFFICE MEMORANDUM

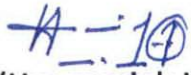
Subject: Review of Government Guarantees-Action to be taken by Financial Advisers of Ministries/Deptts-reg.

Government Guarantees are contingent liabilities and need to be monitored properly to avoid event of default by the borrowing entities. The Financial Advisers of Ministries/Deptts. are responsible for monitoring and review of guarantees issued by their respective Ministries/Departments. Financial Advisers have to ensure maintenance of relevant records and submission of reports/returns to Budget Division (DEA). The process of annual review of Govt. guarantees and maintenance of requisite records have been prescribed under Rule 281 of GFRs. **Rule 281 (1)** states that all Ministries or Departments shall ensure that all guarantees are reviewed every year. The monitoring or review undertaken should examine whether the borrower is discharging repayment obligations or interest obligations as per terms of the loan agreement, whether the repaying capacity for the loan and guarantee amount is imposed in any manner, and whether all covenants and conditions are being religiously followed. **Rule 281 (2)** mandates all Ministries/Deptts. to send data as contained in Form GFR 25, duly updated every year to the Budget Division in the Ministry of Finance, Department of Economic Affairs **by tenth of April.**

2. In respect of guarantees issued by the Ministry of Finance for external loans, the respective credit divisions of Department of Economic Affairs shall conduct an annual review in consultation with the Financial Adviser (DEA) as per **Rule 281(3)**. For this purpose the Financial Adviser (DEA) shall ensure the maintenance of the required registers, as well as ensure that the annual reviews are carried out by the concerned credit divisions, and **report forwarded to the Budget Division in Form GFR 25**. In cases, where the guarantees on external loans are issued by the concerned administrative Ministry, that Ministry would be responsible for conducting the review.

3. All the Financial Advisers are, therefore, requested to ensure that Annual review of govt. guarantees are carried out and annual reports/returns are furnished timely to Budget Division (DEA) as envisaged under the above cited rules.

4. It is further requested to provide information as per form GFR 25 latest by **31.05.2020**. The statement should furnish the complete information of each loan PSU wise against each column.


(Hanumaiah K.)

Deputy Secretary (Budget)

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To

The Financial Advisers,

- i. Ministry of Agriculture, Cooperation and Farmer's Welfare, Krishi Bhawan, New Delhi.
- ii. Ministry of Chemical & Fertilizers, D/o Pharmaceuticals, Shastri Bhawan, New Delhi.
- iii. Ministry of Civil Aviation, B Wing, Rajiv Gandhi Bhawan, New Delhi.
- iv. Ministry of Coal, Shastri Bhawan, New Delhi.
- v. Ministry of Commerce, Udyog Bhawan, New Delhi.
- vi. Department of Economic Affairs, North Block, New Delhi.
- vii. Department of Financial Services, North Block, New Delhi.
- viii. Ministry of External Affairs, South Block, New Delhi.
- ix. Department of Food & Public Distribution, Krishi Bhawan, New Delhi.
- x. Ministry of Heavy Industries and Public Enterprises, Udyog Bhawan, New Delhi.
- xi. Ministry of Housing and Urban Poverty Alleviation, Nirman Bhawan, New Delhi.
- xii. Ministry of Micro, Small & Medium Enterprises, Udyog Bhawan, New Delhi.
- xiii. Ministry of New & Renewable Energy, CGO Complex, Lodhi Road, New Delhi.
- xiv. Ministry of Power, Shram Shakti Bhawan, New Delhi.
- xv. Department of Revenue, North Block, New Delhi.
- xvi. Ministry of Road Transport & Highways, Transport Bhawan, Parliament Street, New Delhi.
- xvii. Ministry of Railways, L&F Division, Railway Board, Rail Bhawan, New Delhi.
- xviii. Ministry of Steel, Udyog Bhawan, New Delhi.



GENERAL FINANCIAL RULES 2017
Ministry of Finance
Department of Expenditure

FORM GFR 25

FORM GFR 25
[See Rule 281. (2) & (3)]

GOVERNMENT GUARANTEES

Name of Ministry /
Department

[Rs. In crore]

Sl. No.	Beneficiary [Name of the PSU etc in whose favour guarantee is given]	Loan Holder / Entity giving Loan	Authority for Guarantee [MoF approval No. & Date]	Period of validity [MOF ID No., & date through which the guarantee was last extended]	Purpose of Loan	Class	Sector	Details of Reschedule	Details of Securities pledged	Amount of Loan
1	2	3	4	5	6	7	8	9	10	11

Extent of Guarantee			Additions	Deletions	Invoked		Outstanding Principal, interest etc at the end of the period	Rate of Guarantee Fee/ Commission	Guarantee Fee/ Commission		Other conditions & compliance
Principal	Interest	Total			Dis-charged	Not dis-charged			Receivable	Received	
12	13	14	15	16	17	18	19	20	21	22	23

NOTES - 1 : For the purpose of Column - 8 the sectors are as under :-

- (i) Power (ii) Cooperative (iii) Irrigation (iv) Roads & Transport (v) Urban Development & Housing (vi) Other Infrastructure (vii) Any other. 2 : For the purpose of Column - 7 the classification is indicated in Rule 281 (4).