

भारतीय कृषि अनुसंधान परिषद
INDIAN COUNCIL OF AGRICULTURAL RESEARCH
कृषि भवन नई दिल्ली
KRISHI BHAVAN: NEW DELHI.

मि. सं./ F.No. 189 समन्वय (लेखा एव लेखा परीक्षा)/CDN (A&A)

दिनांक/ Date: 29/3/22

सेवा में/ To The,


निर्देशक /परियोजना निर्देशक \अटारी
Directors/Project Directors,
समस्त. संस्थानों / राष्ट्रीय अनुसंधान केन्द्रों /
All ICAR -Institute and National Research Centres and Attari,
भारतीय कृषि अनुसंधान परिषद,/
Indian Council Of Agricultural Research

महोदय/ महोदया,
Sir/ Madam,

कृपया इस पत्र के साथ संलग्न पत्र आवश्यक कार्यवाही हेतु देखें।
Please find here with enclosed letter for necessary action.

धन्यवाद/Thanking You,

भवदीय/Your Faithfully,



(के. जी. मैथ्यू)

(K.G. MATHEW)

अनुभाग अधिकारी, समन्वय (ले. एव ले. प.)

Section Officer, CDNA (A&A)

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI**

F.No. FIN/22/1/2016-CDN(A&A)

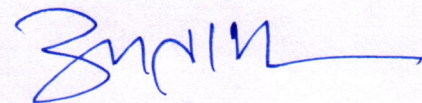
Dated the 27th July, 2022

ENDORSEMENT

Sub. : Amendment in Appendix 12 "Rate of Guarantee Fee" of GFRs 2017 in respect of Government Guarantee Policy, 2022- reg.

Ministry of Finance, Deptt. of Expenditure, Public Procurement Division, New Delhi has issued an O.M. No. 08(18)/2021-E.II.A dated 20.07.2022 on the subject mentioned above.

As approved by the Competent Authority, this O.M. No. 08(18)/2021-E.II.A dated 20.07.2022 has been posted on the IC AR Web-Site www.icar.org.in for information, guidance and compliance.



(Amitabh Singh)
Sr. Finance & Accounts Officer

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Diary No. 240/R/DDF
Date. 26.7.22

अपुत्र सचिव एवं वित्त सलाहकार
(डेपु. भा. कृ. अनु. परिषद)
Addl. Secretary & Fin Adviser
(DARE/ICAR) 63/R
डा. रं. डी. नं. 22/7/22

602
Dy. No. 25107/22
Dir. (Fin.)
Dated 25/7/22

सचिव (वित्त एवं वित्त सलाहकार)
CDN (A & A) S. 25/7/22
डा. रं. डी. नं. 25/7/22

Sei (Fin)
22/7

F. No. 08(18)/2021/E.II.A
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi
Dated 20th July, 2022

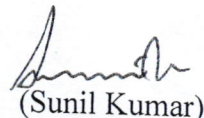
OFFICE MEMORANDUM

Subject: Amendment in Appendix 12 – “Rates of Guarantee Fee” of GFRs 2017 in respect of Government Guarantee Policy, 2022-reg.

The undersigned is directed to state that following amendment to “Rates of Guarantee Fee” (Appendix 12 of GFR, 2017) vide Government Guarantee Policy, 2022, the contents of Appendix 12 to GFR, 2017 are made as per Annexure.

2. This issues with the approval of Competent Authority.

Encl.: As above


(Sunil Kumar)

Under Secretary to the Government of India

To
Secretaries/ Financial Advisers of all Ministries/ Departments of Government of India.

Copy to:

D/o Economic Affairs, Budget Division, (Shri S.R. Raja, Under Secretary) with reference to their O.M.No.12(13)-B(SD)/2020-Part dated 10th June, 2022

SFA/Ad (Cdn A & A)
25/7

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CDN/ATA
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SH A.S.

APPENDIX- 12

[See Rule 279(1)]

RATES OF GUARANTEE FEE

Guarantee fees based on credit score and tenor for Domestic as well as external borrowings

	Less than or equal to 5 years	More than 5 years
Category A	0.5	0.6
Category B	0.7	0.9

Suggested Framework for Risk assessment of Guarantee proposals

Ministries/Departments are required to undertake risk assessment of the proposals received from CPSUs before sending them to Ministry of Finance. Following ratios may be calculated for assessing the risk:

- i) **Debt Service Coverage Ratio:** It indicates the ability of a company to use its operating income to repay all its debt obligations, including repayment of principal and interest on both short-term and long-term debt.

$$\frac{\text{Earnings before Interest, Tax, Depreciation \& Amortization (EBITDA)}}{\text{Interest + Principal}}$$

Category A	Category B
More than or equal to 1.25	Less than 1.25

- ii) **Current Ratio (CR):** It depicts the ability to meet short-term liabilities from selling short-term assets, and calculated as under:

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

Smith

Category A	Category B
More than or equal to 1.5	Less than 1.5

iii) **Debt to Equity Ratio (D/E):** It depicts the ability to pay off debt in future and calculated as under:

$$\frac{\text{Total liabilities}}{\text{Shareholders' equity}}$$

Category A	Category B
Less than or equal to 1	More than 1

Overall Risk Rating	Less than or equal to 1.5	More than 1.5
	Category A	Category B

Example: The above framework has been illustrated as under:

	DSCR*	D/E*	CR*	Calculation= Average of (Ratings Assigned)	Overall risk rating
Company 1	1.75	0.25	2.10	$= 1 (1+1+1)/3$	Category A
Company 2	1.20	1.20	1.50	$= 1.67(2+2+1)/3$	Category B
Company 3	0.90	1.80	0.80	$= 2 (2+2+2)/3$	Category B

Note: Overall Risk Rating shall be calculated by taking simple mean of all the ratios by assigning 1 and 2 values to 'A or 'B' category.

*Three years' average ratio may be considered for calculating the overall risk rating.

