

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1800  
ANSWERED ON:12.12.2003  
FOREIGN DEBT  
PRABHA RAU;S. MURUGESAN;VARKALA RADHAKRISHNAN

**Will the Minister of FINANCE be pleased to state:**

- (a) the amount of loan taken from the World Bank and other foreign financial institutions during each of the last three years;
- (b) the existing external debt on the country and the amount of interest payable than;
- (c) the amount of debt pre-paid by the Government to World Bank and other FFIs during the last three years; and
- (d) the amount of loan proposed to be pre-paid during the current financial year ?

**Answer**

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a) The loan taken by Government of India from foreign financial institutions for various projects during the last three years was as follows:

(Figures in Rs. Crore)

Institution	Loan taken during		
	2000-01	2001-02	2002-03
Asian Development Bank (ADB)	2145.11	1913.63	2519.14
International Dev. Assn. (IDA)	4848.07	5736.95	4277.92
International Bank for Reconstrn. & Development (IBRD)	3234.55	3765.99	3202.78

(b) The details of existing external debt towards multilateral and bilateral development agencies are given in the enclosed Statement-I. The rate of interest payable is given in Statement-II.

(c) The amount of debt pre-paid to FFIs during the last three years is as under:

(Figures in Rs. crore)

Institution	Principal amount		
	2000-01	2001-02	2002-03
Asian Development Bank (ADB)	0.00	0.00	6336.79
International Bank for Reconstrn. & Development (IBRD)	1151.98	0.00	7793.17

(d) Information in respect of FFIs is as under:

This year principal amount of Rs. 6378.29 crore has been pre-paid to IBRD. Further, principal amount of Rs. 5187.74 crore is proposed to be pre-paid to ADB during the current financial year.

#### STATEMENT-I

STATEMENT REFERRED TO IN REPLY TO PART (b) OF LOK SABHA UNSTARRED QUESTION NO. 1800 DATED 12.12.2003

(Figures in Rs. crore)

Institution/Country Outstanding Debt (as on 9.12.2003)

Asian Development Bank	13880.76
E.E.C. (SAC)	190.17
Belgium	171.69
Rep. Of Czech & Slovak	4.28
Germany	15548.56
France	3342.785
Italy	421.73
Japan	49752.33
Netherlands	2073.17
Russian Federation	2278.83
Switzerland	32.87
USA	4341.72
IBRD	17711.71
IDA	99649.78
IFAD	1182.53
OPEC	62.81
Norway	0.77

#### ANNEXURE

(REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 1800 DATED 12.12.2003)

#### GENERAL TERMS AND CONDITIONS OF EXTERNAL LOANS TO GOVERNMENT OF INDIA

Sl. No.	Source	Currency	Grace Period (Years)	Period of Repayment (Years)	Current Rate of Interest (in %)	Commitment Charges on Undisbursed Loan Amount (in %)
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1. A.D.B. US Dollar 3 to 5 12 to 20 Variable + 0.75

#### REMARKS:

+ Interest - Variable every 6 months. The interest rate is determined based on average cost of preceding six months of respective pools of outstanding borrowings established to fund such loans. The lending rate for the period 1-1-2003 to 30-6-2003 is 6.31% on single currency US \$ loans and 2.74% on multi-currency loans. Commitment Charges - 0.75% on undisbursed loan amounts. However, the undisbursed amount is reckoned on a graded basis in respect of project loans. For programme loans it is on the entire loan amount.

2. I.B.R.D. US Dollar 5 15 Variable+ 0.75

REMARKS:

+  
(i) Interest-Variable every 6 months.

(a) Currency Pooled Loans (VLR-1989)

Interest rate is determined based on the cost of qualified borrowings plus a spread. The lending rate applicable for the period from 1-1-2003 to 30-6-2003 is as under:-

1) Loans for which invitation for negotiation was issued prior to 31.7.1998 4.62% per annum (includes a spread of 50 basis points)

2) Loans for which invitation for negotiation was issued after 31.7.1998 4.87% per annum (includes a spread of 75 basis points)

(b) US \$ Floating Rate Single Currency Loans

Interest rate is determined based on 6 month LIBOR rate plus a variable spread.

The rate applicable for interest payment date beginning 15-04-2003 to 14-10-2003 is as follows:-

1) Loans for which invitation for negotiation was issued prior to 31.7.1998 1.47% per annum (with a spread of 21 basis points)

2) Loans for which invitation for negotiation was issued after 31.7.1998 1.71% per annum (with a spread of 46 basis points)

(ii) Commitment Charges - payable on the undisbursed loan amount at 0.75% Bank have been notifying waiver of 0.50% since July, 1991.

(iii) Front End Fee - 1% (one time payment) of loan amount is payable in respect of loans negotiated after 31-7-1998.

(iv) Interest Waiver for Prompt Payment - As notified by Bank, the waiver applicable for 2001 is as under :-

Loans for which invitation to negotiation was 0.15% issued prior to 31-07-1998

Loans for which invitation to negotiation was 0.25% issued after 31-07-1998

3. I.D.A. S.D.R. 10 25 0.75 0.50

REMARKS:

(i) In respect of credits finalised till July 1988, the repayment period was 50 years including

a grace period of 10 years. IDA credits presently enjoy a grace period of 10 years with a repayment period of 25 years.

(ii) Commitment charge payable at 0.50% on the undisbursed credits are being fully waived by Bank since 1989-90.

(iii) 0.75% shown under Interest Column is termed as Service Charge.

4. I.F.A.D. S.D.R. 10 40 0.75

REMARKS:

The payment of 0.75% shown under Interest Column is termed as Service Charge.

5. O.P.E.C. US \$ 5 12 3.00

BILATERAL

1 Australia US \$ 4 8 1.63  
2 Austria EUR 10 20 2.00  
3 Belgium EUR 10 20 0.00  
4 Canada Can. \$ 10 40 0.00  
5 Denmark D. Kr 10 25 0.00  
6 E.E.C.(SAC) UK Pd. 10 40 0.75  
7 France EUR 5 17 2.6%  
8 Russian Fed. US \$ 6 14 4.00  
9 Germany EUR 10 30 0.75 0.25  
2 10 6.13 0.25  
10 Italy US \$ 10 20 1.50  
11 Japan Yen 10 20 and 30 1.8 & .75

REMARKS:

Interest is charged at a fixed rate as indicated in each loan Agreement.

12 Kuwait Fund K. Dinar 5 20 3.5 to 4.5  
13 Netherlands D.Glds. 2 10 2.5 to 3.5  
14 Czech & Rupees 3 12 2.50  
Slovak  
15 Saudi Fund S.R. 5 15 3 to 4  
16 Sweden Sw.Kr. 2.5 8 1.50 0.50  
17 Switzerland S.Fr. 3 8.50% Variable

REMARKS:

Interest payable is 0.5% over the Swiss Export Base Rate plus an Annualised Export Risk Guarantee. The interest payable ranges Between 4% to 8.38% linked to the period of utilisation.

18 U.S.A. US \$ 10 30 2.50

Note: + Interest is variable every six months.