

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2803
ANSWERED ON:19.12.2003
MULTILATERAL DEBT
SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

- (a) whether India has paid some multilateral debt ahead of schedule;
- (b) if so, the details thereof;
- (c) the total debt burden on India alongwith the interest payable thereon till date; and
- (d) the steps taken/being taken by the Union Government to reduce the debt burden?

Answer

Minister of State in the Ministry of Finance (SHRI ANANDRAO V. ADSUL)

(a) Yes, Sir.

(b) As a part of its prudent debt management policy, Government of India prematurely repaid high cost loans owed to the World Bank and Asian Development Bank amounting to US \$ 2.9 billion in 2002-03. During 2003-04 so far, high cost Currency Pool Loans of the World Bank amounting to US \$ 1.4 billion have been prematurely repaid.

(c) The total external debt as at end-June 2003 stood at US \$ 109.6 billion. Total debt service stood at US \$ 14.0 billion in 2002-03 comprising US \$ 10.1 billion as principal and US \$ 3.9 billion as interest payment.

(d) Government of India has been following a prudent debt management policy as a result of which the key debt indicators have shown consistent improvement. Total external debt to GDP ratio that stood at 38.7 per cent in 1991-92 has declined to 20.0 per cent in 2002-03.