

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:731  
ANSWERED ON:12.11.2010  
REPAYMENT OF AIRLINES DEBT  
Deora Shri Milind Murlu

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

- (a) whether the Government proposes to allow the Airlines to use foreign debt to repay loans from local banks, which was barred earlier;
- (b) if so, the details thereof;
- (c) the reasons therefor; and
- (d) the time by when the guidelines are likely to be effective?

**Answer**

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) to (d): As per the extant guidelines of Reserve Bank of India (RBI), External Commercial Borrowings (ECB) proceeds are not permitted to be utilised for repayment of domestic loans. However, the proposal made by some of the Airline companies seeking permission of RBI to relax the end-use norm of the ECB for repaying the domestic loans was discussed in the meeting of the High Level Committee on ECB, held on 30th September 2010.