

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2702
ANSWERED ON:11.03.2011
REFINANCING RUPEE LOANS
Reddy Shri Modugula Venugopala

Will the Minister of FINANCE be pleased to state:

- (a) Whether take out financing is permitted through external commercial borrowing for refinancing rupee loans availed from domestic banks;
- (b) If so, the details thereof and the extent of benefit accrued so far; and
- (c) If not, the time by which permission is likely to be given in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Yes, Sir.

(b): RBI has informed that in terms of A.P. (DIR Series) Circular No. 04 dated July 22, 2010, a scheme of take-out finance has been formulated through ECB for refinancing of Rupee loans availed of from the domestic banks by eligible borrowers in the sea port & airport, roads including bridges and power sectors for the development of new projects under the approval route, subject to certain conditions.

So far RBI has not received any application for approval under the take-out finance scheme.

(c): Does not arise