

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4827

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EXTERNAL LOANS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of external loan taken and outstanding against India during each of the last three years and the current year till date alongwith reasons for the rise in the amount;
- (b) the agency-wise and project-wise amount of interest and principal repaid during the same period and to be paid during the current financial year;
- (c) whether Debt Management Office has been created and if so, the details thereof and if not, the reasons therefor; and
- (d) the corrective measures taken or proposed to be taken to reduce dependence on external financial assistance/loan?

Answer

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

(a) As per the latest available data, details of India's external debt outstanding on Government Account under External Assistance are contained in Table 1 below:

Table 1; External Debt Outstanding on Government Account under External Assistance

	At end-March	At end-December	
	2009-10	2010-11P	2011P
Rs. Crore	249,288	278,455	339,063
US\$ million	55,235	62,294	63,686

P: Provisional

Reasons for the rise in external debt outstanding on Government Account under External Assistance include flow of funds to finance infrastructure/ social sector projects and changes in the value of the Rupee.

(b) The details of principal and interest repaid on loans on Government Account for agencies/projects during 2009-10, 2010-11 and 2011-12 are contained in Table 2 below:

Table 2: Total Principal and Interest Payments on Government Account (Rs. Crore)

	Principal	Interest	Total
2009-10	11,139.6	3,539.1	14,678.7
2010-11P	11,774.2	3,043.7	14,817.9
2011-12P	13,585.9	3,417.8	17,003.7

Source: Office of the Controller of Aid, Accounts and Audit (CAA&A). #P: Provisional.

(c) A Middle Office is functioning as a part of the Department of Economic Affairs, Ministry of Finance. In the Union Budget 2012-13, it has been proposed to move a Public Debt Management Agency of India (PDMA) Bill, 2012 in the Budget Session of Parliament.

(d) India's external debt on Government Account under External Assistance has remained within manageable limits due to a prudent debt management policy that emphasises raising sovereign loans on concessional terms with longer maturities.