

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3887

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EXTERNAL AND INTERNAL LOAN

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Will the Minister of FINANCE be pleased to state:

- (a) the ratio of external and internal loan to Gross Domestic Product (GDP) of the country during each of the last three years;
- (b) the break-up of external and internal loans proposed to be raised during the first and second half of the financial year 2012-13;
- (c) the agency-wise break-up of such loans and project-wise and location-wise amounts planned for mobilisation of such loans; and
- (d) the mechanism for proper utilisation of such funds alongwith review of the same made if any and outcome of action taken thereon, if any?

Answer

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

(a) The ratio of external and internal loan to Gross Domestic Product (GDP) of the country during each of the last three years is as under:

(% of GDP)

At the end of

2009-10 2010-11 2011-12 (Revised Estimates)

External Loan 2.1 2.1 1.9

Internal Loan 52.6 49.3 48.3

(b) External loans (Gross) is estimated at 26,048 crore as per BE 2012-13. However, there is no estimated break-up of first and second half borrowing for this component as receipt of external loans mainly depends on reimbursement claims filed by executing agencies/State Governments.

Gross market borrowings under internal loan through dated securities in BE 2012-13 is estimated at rs 5,69,616 crore. Of this, rs 3,70,000 crore is proposed to be borrowed during the first half and 1,99,616 crore during second half of 2012 -13.

(c) As internal loans are raised to finance overall deficit of the Government, the agency-wise/ project-wise break-up of such loans are not maintained. For external loans, the agency-wise break-up in BE 2012-13 is as under:

(Rs in crore)

Name of the agency 2012-13 (Budget Estimates)

International Development Association 7,043.51

International Bank for Reconstruction and Development 3,864.41

Asian Development Bank 5,953.98

International Fund for Agricultural Development 190.32

Government of Japan 6,507.73

Others 2,487.99

Total 26,047.94

Indicative list of externally aided projects under Central Plan where inflows during 2012-13 are estimated at rs 100 crore or more are shown in Statement -19 in Part I of Expenditure Budget Volume-1, 2012-13. The extract is enclosed.

(d): The internal borrowings through dated securities in a financial year are spread over the year depending on cash requirement of the government and market conditions. This is done in consultation with the Reserve Bank of India. The borrowing calendar for the first half of the year is decided at the beginning of the year. After a mid year review, the borrowing calendar for the second half of the year is decided.

The mechanism for proper utilization of the external loans is ensured by way of conducting review meetings of the projects and also by way of conducting tripartite review meetings in which the project implementing agencies and lending agencies review the overall physical/financial progress of the externally aided projects for speedy/timely execution. As regards the outcome and impact of the projects, State Governments and line Ministries monitor the indicators as per their schedule.