

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2276
ANSWERED ON:24.08.2012
BENEFITS OF ECB TO POWER SECTOR
Balram Shri P.

Will the Minister of POWER be pleased to state:

- (a) whether power companies may get benefits of External Commercial Borrowings (ECBs) refinance window;
- (b) if so, the details thereof;
- (c) the views of the States and international banks in this regard; and
- (d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) to (d) : As informed by the Ministry of Finance, the Reserve Bank of India vide circular dated April 20, 2012 has allowed Indian companies in the power sector to utilize 40 per cent of the fresh External Commercial Borrowing (ECB) raised towards refinancing of the Rupee loans availed by them from the domestic banking system under the approval route, subject to the condition that at least 60% of the fresh ECB proposed to be raised should be utilized for fresh capital expenditure for infrastructure project(s).