

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2562  
ANSWERED ON:25.07.2014  
EXTERNAL COMMERCIAL BORROWING  
Kumar Shri P.

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

- (a) whether Reserve Bank of India (RBI) has stopped banks from extending external commercial borrowing for repaying rupee loans;
- (b) if so, the details thereof; and
- (c) the corrective measures taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a)&(b):No Madam. However, RBI vide circular DBOD.No.BP.BC.107/21.04.048/2013-14 dated April 22, 2014 has specified that repayment of Rupee loans raised from the domestic banking system is not permitted by raising ECBs from overseas branches / subsidiaries of Indian banks from the date of the circular, as the risk remains within the Indian Banking system.

(c): Does not arise.