

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4421
ANSWERED ON:19.12.2014
CUMULATIVE AMOUNT OF BORROWINGS FROM FOREIGN BANKS
Mohan Shri P. C.

Will the Minister of FINANCE be pleased to state:

- (a) the details of the cumulative total amount of borrowings from foreign banks and financial institutions by the Public Sector Undertakings during the last three years and the current year;
- (b) the quantum of demand loan raised by the Indian corporate sector with details of maturity and the rate contract during the said period;
- (c) the steps taken/being taken by the Government regarding the repayment of demand loans raised by the corporate sector affected by volatile rupee-dollar exchange rate;
- (d) whether the Government instructed/ Reserve Bank of India (RBI) to allow free flow of capital; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): Details of borrowings of Public Sector Undertakings from Foreign Banks & Financial Institutions are as follows:

Creditor-wise classification of External Commercial Borrowings (ECB)/Foreign Currency Convertible Bonds (FCCB) availed by Public Sector Undertakings (PSUs)

(Agreement Amount in USD million)

Creditor	2011-12	2012-13	2013-14	Apr-Nov	2014-15
(I) Non-Resident Foreign Bank	3,219	4,968	10,418	4,360	
(II) Non-Resident Financial Institution	973	687	427	0	
(III) Others	2,398	2,826	3,769	2,321	
Total agreement amount by PSUs (I+II+III)	6,590	8,481	14,614	6,681	

(b)&(c): Total agreement amount of ECB including Private and Public Sector Undertakings are as follows:

Year	amount in (USD million)
2011-12	33186
2012-13	32031
2013-14	33232
April- November, 2014	20229

The borrowings are having minimum average maturity period of 3 years and above as per FEMA requirements. These are commercial loans contracted between eligible Indian borrowers and recognised lenders with repayment as per the terms of contract within the framework of FEMA.

(d)&(e): Capital flows for ECB / Trade credits are not free. A broad framework in respect of eligible borrowers, lenders, all-in-cost, permitted end use(s), maturity, etc. has been prescribed for borrowings from overseas.