

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
FINANCIAL MARKETS DIVISION**

LOK SABHA

UNSTARTED QUESTION NO. 2269
TO BE ANSWERED ON MONDAY 8TH MARCH, 2021/ 17 PHALGUNA 1942 (SAKA)

Commercial Borrowing

2269: Shri. SHANMUGA SUNDARAM K, MP

Will the Minister of Finance be pleased to state:

- a. the total amount of external debt at present due to commercial borrowing with break up of the amount borrowed by Indian companies;
- b. the steps taken by the Government to control or reduce the burden of increasing commercial borrowings
- c. the total amount of external commercial borrowing by the companies under automatic route and approval rate
- d. whether the Government is having any proposal to abolish the automatic route and
- e. if so, the details thereof?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) and (c): The total outstanding External Commercial Borrowings raised by eligible resident entities from recognized non-resident entities as of end-December 2020 is as follows

ECB Route	In USD Millions
Approval	47,105
Automatic	1,15,002
Other*	1,833

*Other – Loan issued before 2004, for which information regarding route is not available in the Reserve Bank of India database.

(b): RBI in consultation with the Government has brought out a revised ECB framework in January 2019. The extant framework limits the “all-in-cost” of borrowing, including the rate of interest and other fees, to the benchmark rate plus 450 basis points spread. The “all-in-cost” is intended to prevent corporates with high credit risk, and likely to default, from availing ECB.

(d) and (e): There is no such proposal at present.
