

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:638  
ANSWERED ON:05.12.2003  
ADB AND WORLD BANK LOAN  
JAGMEET SINGH BRAR

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

- (a) Whether the Government have decided to prepay 2.6 billion Dollars to ADB and World Bank as loans;
- (b) if so, the details thereof and the savings accrued by way of interests payable in coming years; and
- (c) the stand of Government on foreign aid for high cost social and economic projects in India?

**Answer**

(Minister of State in the Ministry of Finance)

(a) to (c) As a part of its prudent debt management policy, Government of India, prematurely repaid costly foreign currency loans amounting to US\$ 2.8 billion to the World Bank and Asian Development Bank (ADB) in 2002-03. During 2003-04, the Government prepaid high cost World Bank loans amounting to US\$ 1.4 billion. Besides, bilateral loans amounting to US\$ 0.59 billion have also been prepaid in the current financial year. Concessional foreign assistance from multilateral development institutions and some bilateral donors supplement domestic resources for public investment in social and economic projects.