

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3316
ANSWERED ON:12.05.2006
WARNING FROM INTERNATIONAL CREDIT AGENCIES
Singh Kunwar Rewati Raman

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received warnings from international credit agencies for increased borrowings;
- (b) if so, the details in this regard;
- (c) the total size of borrowings from abroad as well as domestic sources at present alongwith figures for the borrowings from abroad during the last two years;
- (d) whether the Government are considering any proposal to restrict borrowings; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. K. BANSAL)

- (a) & (b): While some international credit rating agencies have expressed concern about the level of government debt, they also expect continued fiscal consolidation and lowering of the government debt-GDP ratio.
- (c) The total public debt, including internal and external debt of the Government, at the end of 2005-2006, is estimated at Rs. 14,24,335 crore (RE). The external debt (at book value) is estimated at Rs. 60,877 crore at the end of 2004-05 and Rs. 68,392 crore at the end of 2005-06 (RE).
- (d) Central Government has been following a policy of fiscal rectitude in tune with the provisions of the Fiscal Responsibility and Budget Management Act, 2003, so as to reduce fiscal deficit as percentage of GDP and thereby moderate recourse of Central Government to borrowings.
- (e) Does not arise in view of reply to part (d) above.