

## India Inc Raises \$1,79-bn Overseas Loans in June

**Mumbai:** India Inc in June received approvals to raise \$1.79 billion in the forms of external commercial borrowings (ECBs) and foreign convertible currency bonds (FCCBs) as against \$696 million in May, rising of 157%. In June last fiscal, Indian corporates received approvals to raise \$1.91 billion.

Mukesh Ambani's newly aquired company Infotel Broadband has received an approval to raise \$500 million for telecommunication with a maturity of six years.

According to data released by the Reserve Bank of India (RBI), on Thursday, 51 companies had been given approvals to raise funds via ECBs and FCCBs in June 2010, out of which Vodafone Essar alone has been given an approval to raise \$34 million. Vodafone Essar has been given an approval to raise these kind of funds for the purpose of rupee expenditure with a maturity period of 10 years and 11 months.

In April, Vodafone alone has been given an approval to raise close to \$1.48 billion by way of ECBs for rupee expenditure with a maturity of six years and six months.

A treasury head at a foreign bank had told FE that most companies were in a fund-raising spree in April as they were in need for funds to make payments for 3G licences. Telecoms paid close to Rs 1,00,000 crore for 3G licences and BWA auctions in June.

**Says Jamal Mecklai, CEO with Mecklai Financial, "With Libor quite low, many companies want to access global markets. However, banks have increased the spread for forex loans, even strong companies are being quoted at Libor plus 400 basis points to prevent companies cashing in on the arbitrage."**

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