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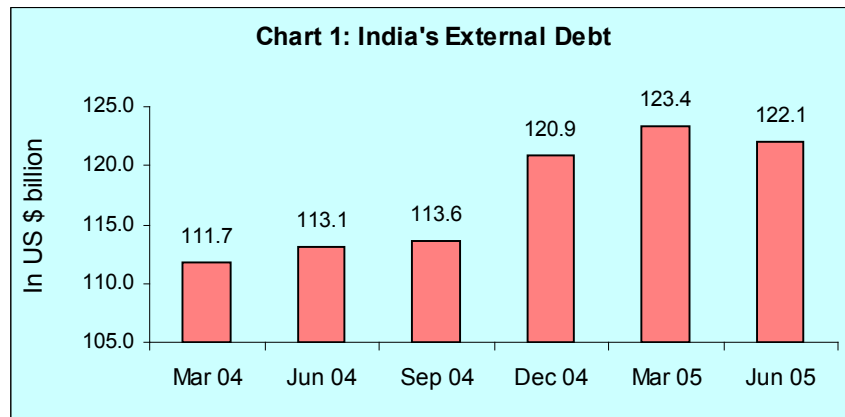
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**PRESS RELATIONS DIVISION**, Central Office, Post Box 406, Mumbai 400001  
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

September 30, 2005

**India's External Debt as at the end of June 2005: Highlights**

- India's total external debt is placed at US \$ 122.1 billion at the end of June 2005 (Chart 1).
- At this level, the external debt stock declined by US \$ 1.3 billion over the end-March 2005 level primarily reflecting the valuation effects of appreciation of US dollar vis-à-vis other major international currencies (Table 1).



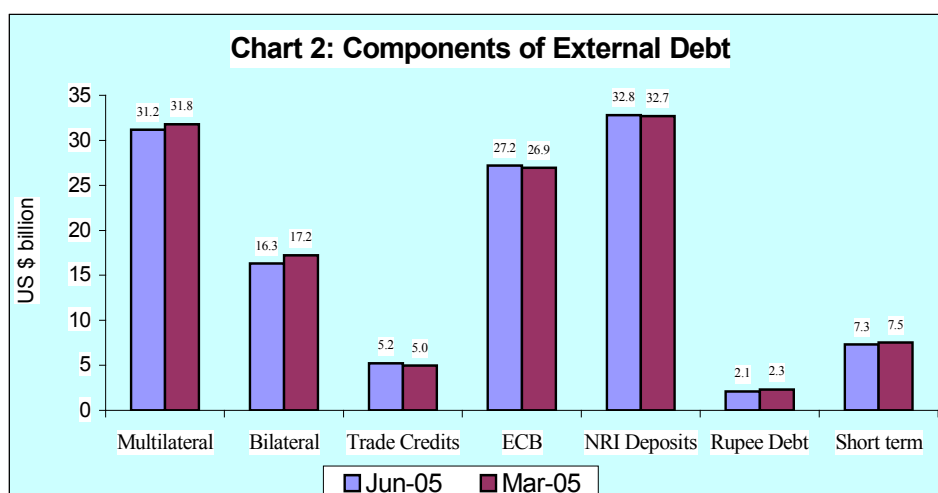
**Table 1: Variation in External Debt by Components**

Item	At the end-of		Variation during the quarter	
	June 05	March 05	Absolute variation (US \$ million)	% variation (Per cent)
	Amount	Amount		
	(US \$ million)	(US \$ million)		
1. Multilateral	31,248 (25.6)	31,763 (25.7)	-515	-1.6
2. Bilateral	16,303 (13.3)	17,222 (14.0)	-919	-5.3
3. IMF	0 (0.0)	0 (0.0)	0	0
4. Trade Credit	5,216 (4.3)	4,960 (4.0)	256	5.2
5. Commercial Borrowings	27,158 (22.2)	26,942 (21.8)	216	0.8
6. NRI Deposits (long-term)	32,801 (26.8)	32,743 (26.5)	58	0.2
7. Rupee Debt	2,146	2,300	-154	-6.7

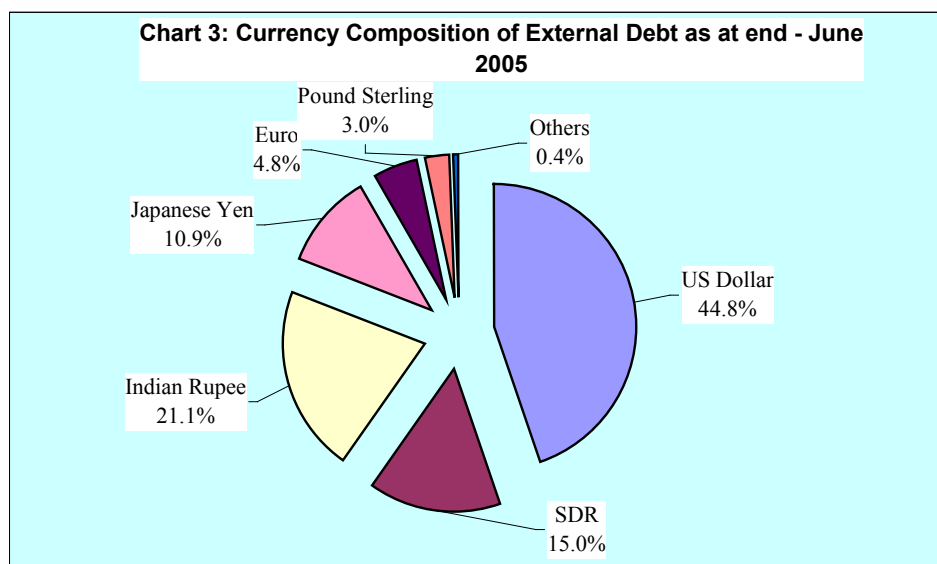
	(1.8)	(1.9)		
8. Long-Term Debt (1 to 7)	1,14,872 (94.0)	1,15,930 (93.9)	-1,058	-0.9
9. Short-Term Debt	7,275 (6.0)	7,524 (6.1)	-249	-3.3
<b>10. Total Debt (8+9)</b>	<b>1,22,147 (100)</b>	<b>1,23,454 (100)</b>	<b>-1,307</b>	<b>-1.1</b>

Figures in parenthesis indicate share to total debt

- Among the various components of debt, multilateral and bilateral debt, rupee debt and short-term debt declined while trade credit, external commercial borrowings (ECBs) and NRI deposits rose during the first quarter of 2005-06 (Chart 2).
- ECBs mainly took the form of syndicated loans and issues of bonds including foreign currency convertible bonds (FCCBs).



- The US dollar continued to dominate the currency composition of India's external debt (Chart 3).



### Indicators of Debt Sustainability

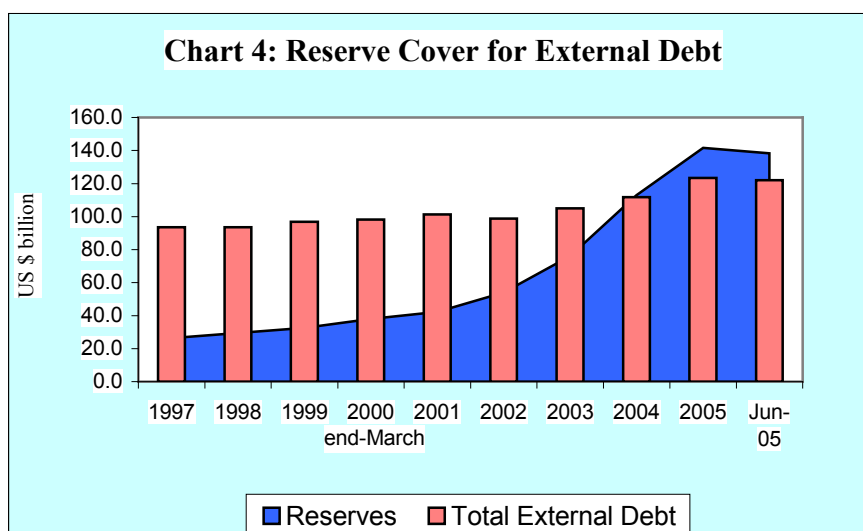
- The ratio of short-term to total debt posted a marginal decline. The ratio of short-term debt to foreign exchange reserves remained stable (Table 2).

**Table 2: Indicators of Debt Sustainability**

(in per cent)

<i>Indicators</i>	<i>End-June 05</i>	<i>End-Mar 05</i>
<i>Concessional debt/Total debt</i>	<b>32.6</b>	<b>33.5</b>
<i>Short-term/Total debt</i>	<b>6.0</b>	<b>6.1</b>
<i>Short-term debt/Reserves</i>	<b>5.3</b>	<b>5.3</b>
<i>Reserves/ Total debt</i>	<b>113.3</b>	<b>114.7</b>

- India's foreign exchange reserves exceeded the external debt by US \$ 16.2 billion providing a cover of 113.3 per cent to the external debt stock at the end of June 2005 (Chart 4).



Full details of the evolution of the debt stock over the period June 2004 to June 2005 are set out in *Statement 1 and 2*.

**P. V. Sadanandan**  
Manager

**Press Release: 2005-2006/406**