


**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**
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**India's External Debt as at the end of March 2014**

As per the standard practice, India's external debt statistics for the quarters ending March and June are released by the Reserve Bank of India and those for the quarters ending September and December by the Ministry of Finance, Government of India. The external debt data are released with a lag of one quarter. The external debt data, as compiled in the standard format, as at end-March 2014 in Rupees and US dollar terms and revised data for the earlier quarters are set out in [Statements 1](#) and [2](#), respectively. The major developments relating to India's external debt as at end-March 2014 are presented in the following paragraphs.

**Highlights**

India's external debt as at end-March 2014 showed an increase of US\$ 31.2 billion over the year, mainly led by the special swap scheme introduced by RBI for the commercial banks to mobilise FCNR(B) and overseas borrowings. The borrowings under the Swap Scheme in combination with a decline in CAD and revival in equity flows helped in building up the foreign exchange reserves.

On the other hand, increase in the magnitude of external debt was partly offset by the valuation change (gain) resulting from appreciation of US dollar against Indian rupee and other international currencies. Further, share of short term debt in total debt in terms of original maturity as well as residual maturity also declined due to net repayments of short-term debt and withdrawal of FII investment from debt securities during 2013-14.

The major developments relating to India's external debt as at end-March 2014 are set out below:

- India's external debt, as at end-March 2014, was placed at US\$ 440.6 billion showing an increase of US\$ 31.2 billion or 7.6 per cent over the level at end-March 2013. The increase in total external debt during financial year 2013-14 was primarily on account of rise in Non-Resident Deposits (Table 1).
- The surge in outstanding stock of NRI deposits can mainly be attributed to mobilisation of fresh FCNR(B) deposits by commercial banks under the swap scheme offered by the Reserve Bank during September to November 2013.
- In terms of major components, the share of external commercial borrowings continued to be the highest at 33.3 per cent of total external debt, followed by NRI deposits (23.6 per cent) and short term debt (20.3 per cent).
- The share of short-term debt in total debt witnessed a decline over the preceding quarter as well as the corresponding quarter of the previous year. Short-term debt at US\$ 89.2 billion accounted for 20.3 per cent of the total external debt as at end-March 2014 as compared to 23.6 per cent at end-March 2013.

- The ratio of short-term debt (original maturity) to foreign exchange reserves declined to 29.3 per cent as at end-March 2014 from 33.1 per cent as at end-March 2013.
- Based on residual maturity, the short-term debt accounted for 39.6 per cent of total external debt as at end-March 2014 as compared to 42.1 per cent at end-March 2013. Within the short-term debt based on residual maturity, the share of NRI deposits was the highest at 31.4 per cent. The ratio of short-term debt by residual maturity to foreign exchange reserves worked out to 57.4 per cent at end-March 2014 (Table 2).
- The valuation gain during 2013-14 amounted to US\$ 9.4 billion reflecting the appreciation of US dollar against the Indian rupee and other major currencies. Thus, excluding the valuation gains, the stock of external debt as at end-March 2014 would have increased by US\$ 40.6 billion instead of US\$ 31.2 billion over end-March 2013
- US dollar denominated debt continued to be the largest component of India's external debt with a share of 61.8 per cent as at end-March 2014, followed by Indian rupee (21.1 per cent), SDR (6.9 per cent), Japanese Yen (5.1 per cent) and Euro (3.4 per cent).
- Government (Sovereign) external debt stood at US\$ 81.5 billion as at end-March 2014 as against US\$ 81.7 billion as at end-March 2013. The shares of Government and non-Government external debt in the total external debt were 18.5 per cent and 81.5 per cent, respectively, as at end-March 2014 (Table 3).

**Table 1: External Debt - Outstanding and Variation**

(US\$ billion)							
Memo Items	Outstanding end-of March			Absolute variation		Percentage variation	
	2012 R	2013 PR	2014 P	Mar-12 to Mar-13	Mar-13 to Mar-14	Mar-12 to Mar-13	Mar-13 to Mar-14
1	2	3	4	5	6	7	8
1. Multilateral	50.5	51.6	53.3	1.1	1.7	2.3	3.3
2. Bilateral	26.9	25.2	24.8	-1.7	-0.4	-6.4	-1.4
3. IMF	6.2	6.0	6.2	-0.2	0.2	-3.2	3.2
4. Export Credit	19.0	17.7	15.3	-1.3	-2.5	-6.6	-13.9
5. Commercial Borrowings	120.1	140.2	146.5	20.0	6.4	16.7	4.5
6. NRI Deposits	58.6	70.8	103.8	12.2	33.0	20.8	46.6
7. Rupee Debt	1.4	1.3	1.5	-0.1	0.2	-7.1	16.7
8. Short term Debt	78.2	96.7	89.2	18.5	-7.5	23.7	-7.7
<i>Of which</i>							
Short term trade credit	65.1	86.8	81.7	21.7	-5.0	33.3	-5.8
<b>Total Debt</b>	<b>360.8</b>	<b>409.4</b>	<b>440.6</b>	<b>48.7</b>	<b>31.2</b>	<b>13.5</b>	<b>7.6</b>
<b>Memo Items</b>							
A. Long-Term Debt	282.6	312.7	351.4	30.1	38.7	10.7	12.4
B. Short-Term Debt	78.2	96.7	89.2	18.5	-7.5	23.7	-7.7
P: Provisional. PR: Partially Revised. R: Revised							
<b>Source:</b> Ministry of Finance, Government of India and Reserve Bank of India							

(US \$ billion)					
Components	Short-term up to one year	Long-term			Total
		1 to 2 years	2 to 3 years	More than 3 years	(2) to (5)
1	2	3	4	5	6
1. Sovereign Debt (long-term) \$	5.7	5.9	6.2	61.1	79.0
2. External Commercial Borrowings #	24.9	22.9	25.0	95.8	168.6
3. NRI deposits {(i)+(ii)+(iii)}	54.8	7.5	24.6	17.0	103.8
(i) FCNR(B)	13.0	2.0	18.7	8.1	41.8
(ii) NR(E)RA	34.3	4.9	5.3	8.4	52.9
(iii) NRO	7.5	0.6	0.5	0.5	9.1
4. Short-term Debt (Original maturity)	89.2	0.0	0.0	0.0	89.2
<b>Total (1 to 4)</b>	<b>174.6</b>	<b>36.3</b>	<b>55.8</b>	<b>173.9</b>	<b>440.6</b>
<i>Memo Items</i>					
Short-term debt (Residual maturity as per cent of total external debt)					39.6
Short-term debt (Residual maturity as per cent of Reserves)					57.4
<p><b>\$:</b> Inclusive of FII Investments in Government Securities.</p> <p><b>#:</b> External Commercial Borrowings in this table also include (i) Trade Credits (ii) Non-Government defence debt &amp; (iii) a portion of non-Government multilateral and bilateral borrowing, hence may not tally with the ECBs provided in other tables under original maturity</p> <p><b>Note:</b> Residual Maturity of NRI Deposits is estimated on the basis of the Survey conducted by the Reserve Bank of India on NRI deposits outstanding as on March 31, 2014.</p> <p><b>Source:</b> Ministry of Finance, Government of India and Reserve Bank of India.</p>					

(US \$ billion)							
Sr. No. Components	End-March						
	2008	2009	2010	2011R	2012 PR	2013 PR	2014 PR
1	2	3	4	5	6	7	8
<b>A. Sovereign Debt (I+II)</b>	<b>58.1</b>	<b>55.9</b>	<b>67.1</b>	<b>78.1</b>	<b>81.9</b>	<b>81.7</b>	<b>81.5</b>
<i>(As a percentage of GDP)</i>	4.7	5.1	4.7	4.5	4.7	4.4	4.3
I. External Debt on Government Account under External Assistance	52.5	51.8	55.2	62.3	63.4	61.3	62.2
II. Other Government External Debt @	5.5	4.1	11.8	15.8	18.5	20.3	19.3
<b>B. Non-Government Debt #</b>	<b>166.3</b>	<b>168.6</b>	<b>193.9</b>	<b>239.8</b>	<b>278.9</b>	<b>327.8</b>	<b>359.1</b>
<i>(As a percentage of GDP)</i>	13.3	15.2	13.6	13.7	15.8	17.6	19.0
<b>C. Total External Debt (A+B)</b>	<b>224.4</b>	<b>224.5</b>	<b>260.9</b>	<b>317.9</b>	<b>360.8</b>	<b>409.4</b>	<b>440.6</b>
<i>(As a percentage of GDP)</i>	18.0	20.3	18.3	18.2	20.5	22.0	23.3
<p>@: Other Government external debt includes Defence Debt, Investment in Treasury Bills/ Government Securities by FIIs, Foreign Central Banks and International Institutions and IMF.</p> <p>#: Includes external debt of Monetary Authority.</p> <p><b>Source:</b> Ministry of Finance, Government of India and Reserve Bank of India</p>							

Table 4: India's Key External Debt Indicators							
End March	External Debt	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-Term Debt to Foreign Exchange Reserves	Ratio of Short-Term Debt to Total Debt
	(US \$ billion)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)
1	2	3	4	5	6	7	8
1991	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1996	93.7	27.0	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2006	139.1	16.8	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.3	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.2	5.8	106.9	16.8	18.8	20.1
2011R	317.9	18.2	4.4	95.9	14.9	21.3	20.4
2012P R	360.8	20.5	6.0	81.6	13.3	26.6	21.7
2013P R	409.4	22.0	5.9	71.3	11.1	33.1	23.6
2014P	440.6	23.3	5.9	69.0	10.5	29.3	20.3
P: Provisional. PR: Partially Revised. R: Revised							
# works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US \$ 7.1 billion and pre payment of external debt of US \$ 23.5 million.							
<b>Source:</b> Ministry of Finance, Government of India and Reserve Bank of India							

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