



# **INDIA'S EXTERNAL DEBT**

## **A STATUS REPORT**

### **2020-21**

**GOVERNMENT OF INDIA**  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
EXTERNAL DEBT MANAGEMENT UNIT  
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वित्त एवं कॉर्पोरेट कार्य मंत्री  
भारत सरकार



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## FOREWORD

Department of Economic Affairs in the Ministry of Finance has brought out the twenty seventh edition of India's External Debt: A Status Report 2020-21. The Report documents a detailed analysis of trends, composition and debt service of India's external debt upto end-March 2021. It also presents inter-country comparison of India's external debt.

India's external debt continues to be sustainable and prudently managed, the COVID-19 pandemic notwithstanding. As at end-March 2021, it stood at US\$ 570 billion growing by a modest 2.1 per cent over the level a year ago. Salient debt indicators such as external debt as a ratio to GDP at 21.1 per cent, debt service ratio at 8.2 per cent and foreign exchange reserves to external debt ratio at 101.2 per cent are in a zone of comfort. The long-term debt constitutes the bulk. The short-term debt is basically incurred to finance imports, enhancing the stability aspects of the total external debt. India's external debt position compares well from inter-country perspective. This testifies to the prudently calibrated external debt policy pursued by the Government.

The Report would be useful for the Hon'ble Members of Parliament, research scholars, policy makers and the general public.

New Delhi  
Dated the 27 September, 2021

  
(Nirmala Sitharaman)

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## ABBREVIATIONS

### A

AC	-	Autocorrelation
ADB	-	Asian Development Bank
ADF	-	Augmented Dickey Fuller
AEs	-	Advanced Economies
AIIB	-	Asian Infrastructure Investment Bank
AR	-	Auto Regressive
ARIMA-	-	Auto Regressive Moving Average

### B

BOP	-	Balance of Payments
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### C

CAAA -	Controller of Aid, Audit & Accounts
CBs	- Commercial Borrowings
CCIL	- Clearing Corporation of India Limited
CPI	- Consumer Price Index
CUB	- Committed Undisbursed Balance

### D

DEA	-	Department of Economic Affairs
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DED	-	Delta External Debt (First Difference)
DSA	-	Debt Sustainability Analysis
DSR	-	Debt Service Ratio
DSSI	-	Debt Service Suspension Initiative

### E

ECBs	-	External Commercial Borrowings
ED	-	External Debt
EMDEs	-	Emerging Market and Developing Economies
EMEs	-	Emerging Market Economies

### F

FAR	-	Fully Accessible Route
FCCB	-	Foreign Currency Convertible Bonds
FCNR(B)-		Foreign Currency Non- Resident Bank
FII	-	Foreign Institutional Investment/Investor
FPI	-	Foreign Portfolio Investments

FRBM - Fiscal Responsibility and Budget Management

## G

GDDS - General Data Dissemination Standards

GDP - Gross Domestic Product

GFC - Global Financial Crisis

GLD - Great Lockdown

GNI - Gross National Income

GOFR - Global Open Facility Registry

G-Sec - Government Securities

## I

IBRD - International Bank for Reconstruction & Development (World Bank)

IDA - International Development Agency/Association

IDS - International Debt Statistics

IFAD - International Fund for Agriculture Development

IFC - International Financial Corporation

IMF - International Monetary Fund

INR - Indian Rupee

## L

LICs - Low Income Countries

LMICs - Low and Middle Income Countries

LT - Long Term

## M

MA - Moving Average

MDBs - Multilateral Development Banks

MTF- Medium-Term Framework

## N

NDB - New Development Bank

NPISHs- Non-Profit Institutions Serving Households

NRERA- Non-Resident External Rupee Accounts

NRIs - Non-Resident Indians

NRO - Non-Resident Ordinary Account

## O

OECD - Organization for Economic Cooperation and Development

OGD - Other Government Debt

OPEC - Organization of Petroleum Exporting Countries

P		
P	-	Provisional
PAC	-	Partial Autocorrelation
PP	-	Phillips Perron
PR	-	Partially Revised
PSUs	-	Public Sector Units
PV	-	Present Value

R		
RBI	-	Reserve Bank of India
RHS	-	Right Hand Side

S		
SDDS	-	Special Data Dissemination Standards
SDLs	-	State Development Loans
SDR	-	Special Drawing Rights
SEBI	-	Securities Exchange Board of India
SED	-	Sovereign External Debt
ST	-	Short Term

T		
TBs	-	Treasury Bills


V		
VAR	-	Voluntary Retention Route

## EXECUTIVE SUMMARY

India's external debt continues to be sustainable and prudently managed, the COVID-19 pandemic notwithstanding. As at end-March 2021, it stood at US\$ 570.0 billion growing by a modest 2.1 per cent over the level a year ago. External debt as a ratio to GDP marginally rose to 21.1 per cent from 20.6 per cent as at end-March 2020. Reserves to external debt ratio, however, increased to 101.2 per cent from 85.6 per cent during the same period, thereby consolidating India's position as a net creditor to the world.

The sovereign debt at US\$ 107.2 billion rose higher by 6.2 per cent over its level a year ago, mainly because of an increase in external assistance more than compensating the fall in FPI investment in G-Sec. The augmented external assistance reflected larger disbursement of COVID-19 loans from multilateral agencies during 2020-21. The non-sovereign debt, on the other hand, grew 1.2 per cent to US\$ 462.8 billion over the level a year ago. Commercial borrowings, NRI deposits and short-term trade credit account for 95 per cent of the non-sovereign debt. While NRI deposits grew 8.7 per cent to US\$ 141.9 billion, commercial borrowings at US \$ 197.0 billion and short-term trade credit at US\$ 97.3 billion shrank by 0.4 per cent and 4.1 per cent, respectively.

Over the years, policy on external debt has enabled the private sector to access foreign debt in a calibrated manner. As at end-March 2021, the level of non-sovereign debt was more than four times that of sovereign debt, compared to half as at end-March 1991. Given its relative size, typically in a normal year, it is the relative rise in non-sovereign debt that influences the dynamics of India's external debt, thereby supplementing domestic savings to fund larger investments as the economy expands. On the contrary, in the pandemic year, it is the relative rise in sovereign debt that accounted for a larger share in the overall growth of foreign debt (2.1 percent). This increase in the sovereign debt was, as mentioned earlier, due to COVID-19 loans. On the other hand, within the non-sovereign debt, the growth-sensitive commercial borrowings and import-sensitive short-term trade credit shrank. Evidently, therefore, COVID-19 pandemic disrupted growth-dependent constituents, though overall external debt level rose.




Characteristic features of India's external debt, however, remained intact even in a pandemic year. The long-term debt constituted 82.3 per cent of the total, while the rest of 17.7 per cent was short-term in maturity. Within the short-term debt, trade-credit for financing imports accounted for over 95 per cent, underscoring its stability-friendly attribute. Non-financial corporations were the largest-borrowers estimated at US\$ 255.3 billion as at end- March 2021. Access to foreign debt by the borrowers was predominantly in the form of loans (39.2 per cent) and the US dollar was the leading currency of denomination (52.1 per cent). The US dollar depreciated as at end- March 2021 over the level a year ago. As a result, there was a valuation loss of US\$ 6.8 billion. Excluding valuation losses, the increase in India's foreign debt would have been US\$ 4.7 billion, instead of US\$ 11.5 billion. Thus, apart from COVID-19 loans and NRI deposits, weaker US dollar too contributed to the rise in the foreign debt level as at end-March 2021.

Most importantly, all the debt vulnerability indicators continued to be benign. The debt service ratio rose to 8.2 per cent during 2020-21 from 6.6 per cent during the previous year mainly on account of, apart from lower current receipts, debt restructuring/debt reorganisation undertaken by leading Indian non-financial corporations. The debt service payment obligations arising out of the stock of external debt as at end- March 2021 are projected to be moderate and peak in 2024-25.

From a cross-country perspective, in 2019, India's external debt to GNI, short-term debt to total external debt and external debt to exports were lower and reserves to external debt, higher, than that for low-and middle-income countries (LMICs). India figures among the top five LMICs in terms of reserve cover to total external debt stock.

## KEY DATA TRENDS

- India's external debt, at US\$ 570.0 billion as at end-March 2021, grew moderately by 2.1 per cent over US\$ 558.4 billion as at end-March 2020.
- Commercial borrowings (CBs), NRIs deposits, short-term trade credit and multilateral loans together accounted for about 92 per cent of the total external debt. While CBs and short-term trade credit contracted during end-March 2020 and end-March 2021, NRI deposits and multilateral loans, on the other hand, expanded during the same period. The rise in NRI deposits and loans from multilateral sources together was marginally larger than the contraction in commercial borrowings and trade credit.
- Foreign exchange reserves as a ratio to external debt stood at 101.2 per cent as at end-March 2021, showing an increase of 15.6 percentage points over the ratio registered a year ago.
- As at end-March 2021, sovereign external debt (SED) amounted to US\$ 107.2 billion, increasing by 6.2 per cent over the level a year ago, reversing the contraction witnessed in the previous two years. SED consists of external assistance (from multilateral and bilateral sources) and other government debt, comprising predominantly FPI investment in G-sec.
- During the last two years, it was the shrinkage of the stock of FPI investment in G-Sec that was contributing to the contraction in the stock of SED. However, the increase in the stock of external assistance to US\$ 84.6 billion as at end-March 2021 from 72.7 billion a year ago more than compensated the continued fall in the stock of FPI investment in G-Sec to US\$ 16.0 billion from US\$ 21.6 billion during the same period. This expansion in the stock of external assistance was mainly due to a higher disbursement of COVID-19 loans during 2020-21 from multilateral agencies.
- On the other hand, non-sovereign external debt, estimated at US\$ 462.8 billion as at end-March 2021, posted a mild growth of 1.2 per cent over the level a year ago. CBs, NRI deposits, and short-term trade credit accounted for about 95 per cent of non-sovereign debt. NRI deposits grew by 8.7 per cent during 2020-21.

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- The debt service ratio during 2020-21 rose to 8.2 per cent from 6.6 per cent during 2019-20 due to a fall in current receipts and increase in debt service payments reflecting debt restructuring/ debt reorganization undertaken by the leading Indian non-financial corporation(s). The debt service payment obligations arising out of the stock of external debt as at end-March 2021 are projected to be moderate and peak in 2024-25.
  - In a cross-country perspective, India's external debt in nominal terms is modest, occupying 24<sup>th</sup> position globally. In terms of various debt vulnerability indicators, India's external debt sustainability was better than the Low-and-Middle Income Countries (LMICs) as a group and *vis-à-vis* many of them individually.

## Chapter 1 India's External Debt: An Overview

*India's external debt position, both over time and across countries, is comfortable and prudently managed. India's external debt, at US\$ 570.0 billion as at end-March 2021, grew moderately by 2.1 per cent (US \$ 11.5 billion) over the level, a year ago. This moderate growth contrasts with the sharp growth witnessed during the first half of 2010s. There was a valuation loss of US\$ 6.8 billion as at end-March 2021 due to the depreciation of US dollar. Excluding valuation losses, India's external debt would have been lower at US\$ 563.2 billion with the increase in external debt at US\$ 4.7 billion instead of US\$ 11.5 billion at end-March 2021 over end-March 2020. External debt as a ratio to GDP rose marginally to 21.1 per cent as at end-March 2021 from 20.6 per cent a year ago. The share of the short-term debt at 17.7 per cent remained low and range-bound. Reserves to external debt ratio, however, increased to 101.2 per cent from 85.6 per cent during the same period, thereby consolidating India's position as a net creditor to the world.*

1.1 The COVID-19 pandemic has aggravated the risk of a debt crisis for developing economies where debt has been rising since the 2008 global financial crisis. According to IMF, over a quarter of Low-and-Middle-Income Countries (LMICs) are at present in, or at high risk of, debt distress. Middle-income countries constitute over two-thirds of the countries affected. Many more could be at risk if debt held privately by businesses and households is included. In contrast to this worrying phenomenon in developing economies, India's external debt position is comfortable as it doesn't figure among the top-twenty debtor countries in the world. Further, India's external debt sustainability is better than LMICs as a group and vis-à-vis many of them individually. India has been able to manage its external debt prudently over time.

1.2 This Status Paper documents position of India's external debt as at end-March 2021 and is organised into five chapters.<sup>1</sup> This Chapter presents an overview of India's external debt focusing on the stock of debt, debt and valuation effects, debt in relation to GDP and foreign exchange reserves, besides the share of short-term debt. Chapter 2 elaborates on the classification of India's external debt – analysing from the perspective of sectors, debtors, creditors, currency, instruments, maturity and concessionality, while Chapter 3 enumerates

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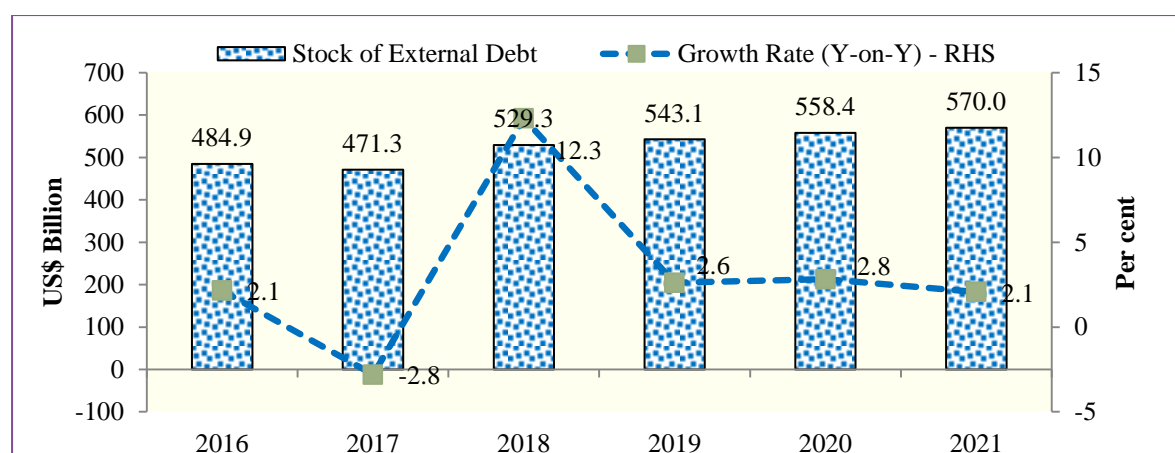
<sup>1</sup>In this Status Paper, analysis is presented basically in terms of US dollar though wherever applicable, data is presented in both US dollar and India rupees in annexes.

sovereign external debt in detail. Issues relating to debt service payments are addressed in Chapter 4. Chapter 5 presents India's external debt position in a cross-country perspective – both *vis-à-vis* advanced economies and the low and middle-income countries.

## 1.1 STOCK OF INDIA'S EXTERNAL DEBT

1.3 India's external debt, at US\$ 570.0 billion as at end-March 2021, grew moderately by 2.1 per cent over US\$ 558.4 billion as at end-March 2020 (Figure 1.1).

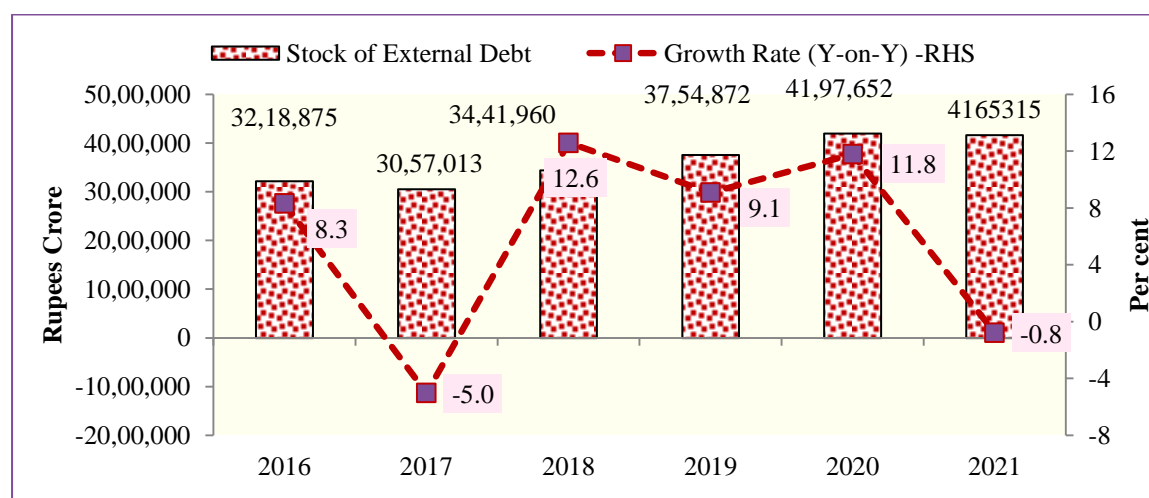
**Figure 1.1: Stock of India's External Debt – US Dollar**



Source: RBI

1.4 In rupees, it was estimated lower at ₹41.6 lakh crore as at-end March 2021 registering a de-growth of 0.8 per cent over ₹41.9 lakh crore a year ago due to the appreciation of Indian currency (Figure 1.2)

**Figure 1.2: Stock of India's External Debt – Indian Rupees**



Source: RBI

1.5 As is explained in detail in Chapter 2, commercial borrowings (CBs), NRIs deposits, trade credit and multilateral loans together account for about 92 per cent of the total external debt. While CBs and trade credit contracted during end-March 2020 and end-March 2021, NRI deposits and multilateral loans expanded during the same period. In absolute magnitude, the contraction in CBs and trade credit was offset by the expansion in NRI deposits. The expansion in the stock of multilateral loans by about US\$ 10 billion led to an increase in the stock of external debt as at end-March 2021. This expansion in the stock of multilateral borrowing is due to higher disbursement of COVID-19 loans during 2020-21 from Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), New Development Bank (NDB), Asian Infrastructure Investment Bank (AIIB) and Global Open Facility Registry (GOFR), details of which are presented in Chapter 3.

1.6 As discernible from detailed data available at Annex 3 to Annex 6, India's external debt rose rapidly during the first half of 2010s. On an average, India's external debt grew by over 16 per cent (in US\$ terms) during the four-year period of end-March 2010 to end-March 2013. On the contrary, as can be seen from Figure 1.1 and the said Annexes, India's external debt has been growing at a moderate pace (in US \$ terms) in the recent years.

1.7 The disruption of economic activity due to COVID-19 reduced the appetite for accumulation of external debt, especially by the non-financial corporations in the form of External Commercial Borrowings (ECBs). As the economy contracted, imports shrank by 16.6 per cent during 2020-21. Since short-term trade credit primarily finances imports, stock of trade credit as at end-March 2021 shrank by 4.1 per cent over the level a year ago. On the other hand, external debt on Government account expanded due to increased COVID-19 loans. Thus, COVID-19 altered the standard narrative of India's external debt (Box 1).

**Box 1: Impact of the COVID-19 Pandemic on India's External Debt: A Preliminary Assessment**

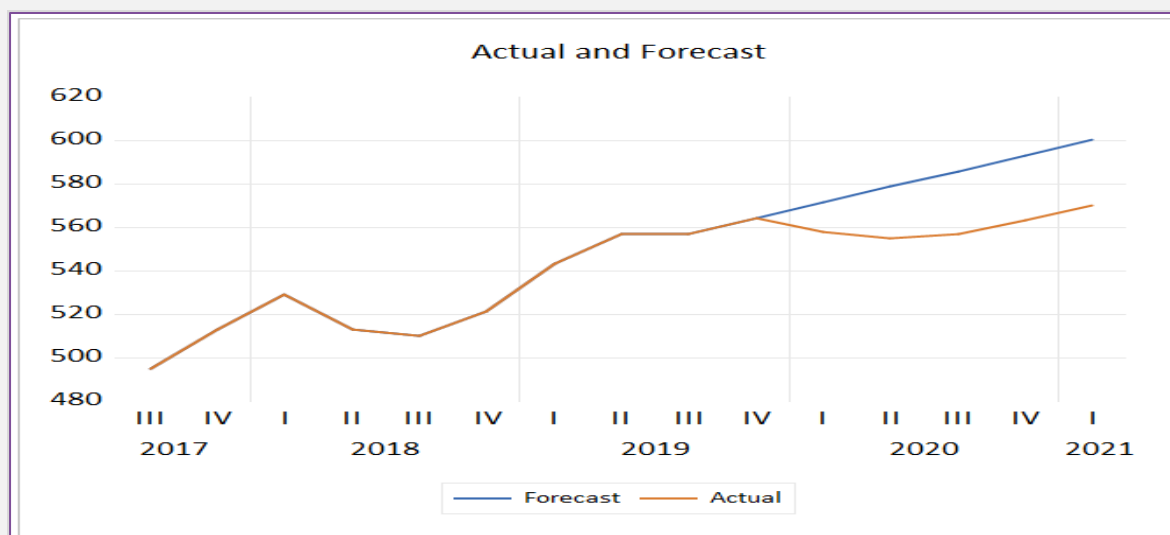
As documented in the Box 2.1 of India's External Debt – A Status Report: 2019:20, there have been structural changes in the composition of India's external debt over the years. The share of the non-government debt doubled from 41.0 per cent as at end-March 1991 to 81.2 per cent as at end-March 2021 primarily on the back of trebling of the share of the commercial borrowings from 12.2 per cent to 37.4 per cent during the same period. Thus, commercial borrowings — consisting of external commercial borrowings (ECBs) and FPI

investment in G-sec and the corporate debt — have emerged as the single largest constituent of India's external debt. The stock of commercial borrowings and thereby the stock of external debt is therefore sensitive to the changes in the level of economic activity, as measured by GDP. It is against this backdrop that a preliminary attempt is made to estimate the sensitivity of external debt to economic activity. This becomes significant as the pandemic has adversely affected economic activity across the globe.

The counterfactual estimates of India's external debt, devoid of any impact of the pandemic, are estimated using short-term forecasts of external debt during pandemic quarters, absent pandemic. Drawing from the IMF, quarter-ending December 2019 is taken as the pre-pandemic quarter. ARIMA modelling is applied on the quarterly time series data of external debt (in US dollar terms) from the period 2004:Q2 to 2019:Q4 for forecasting it for post-pandemic quarters ending March 2020, June 2020, September 2020, December 2020 and March 2021 (Technical details of the ARIMA estimation procedure is presented in Appendix 1 at the end of this chapter).<sup>2</sup> The best model identified for the forecast turned out to be ARIMA (0, 1, 0), which is a special case of ARIMA models i.e., a white noise or random walk model with a drift.<sup>3</sup> The diagnosis test of normality of the residuals of ARIMA (0, 1, 0) is verified.

Based on the identified model of ARIMA (0, 1, 0), the forecasts on India's external debt for the above-mentioned post-pandemic quarters are made. These forecasts are compared with the actual data on India's external debt for these quarters and the difference between the forecasted counterfactual pandemic-free external debt estimates and the actual external debt estimates is attributed to the pandemic. Figure B1.1 and Table B1.1 below present these two sets of data for the relevant quarters.

**Figure B1.1: India's External Debt for Post-Pandemic Quarters: Actual vs Forecast**



Source: Report Estimates

<sup>2</sup> The quarterly time series data on external debt in US dollar is an I (1) process

<sup>3</sup> The model identification (ARIMA (0, 1, 0)) was done based on the correlogram of autocorrelation (AC) and partial correlation (PAC)

**Table B1.1: India's External Debt for Post-Pandemic Quarters: Actual vs Forecast**

(US\$ Billion)

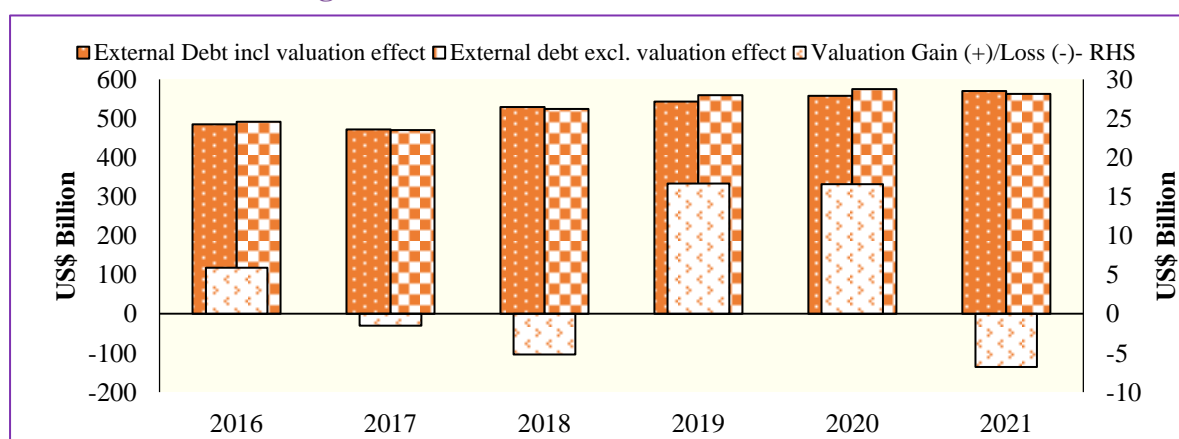
	Actual	Forecast	Impact of Pandemic	%age to actual
2020Q1	558	571	-13	-2.4
2020Q2	555	579	-24	-4.2
2020Q3	557	586	-29	-5.2
2020Q4	563	593	-30	-5.3
2021Q1	570	600	-30	-5.2

Source: Ministry of Finance and Report Estimates

As can be seen, in the absence of the pandemic, the stock of India's external debt for the quarters ending March 2020, June 2020, September 2020, December 2020 and March 2021 would have been higher by US\$ 13 billion, US\$ 24 billion, US\$ 29 billion, US\$ 30 billion, and US\$ 30 billion, respectively. On an average, the pandemic is estimated to have lowered the stock of external debt by US\$ 25 billion, constituting 4.5 per cent of the actual stock of the external debt at the end of each of the post-pandemic quarters.

## 1.2 EXTERNAL DEBT AND VALUATION EFFECT

1.8 The valuation effect captures the impact of changes in the value of US dollar *vis-à-vis* major currencies on the US dollar value of India's external debt. India's external debt rose by US\$ 11.5 per cent over the stock at end-March 2020. Valuation losses due to the depreciation of the US dollar *vis-à-vis* Indian rupee and other major currencies were placed at US\$ 6.8 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 4.7 billion instead of US\$ 11.5 billion at end-March 2021 over end-March 2020. Thus, excluding valuation losses, India's external debt would have been lower at US\$ 563.2 billion (Figure 1.3).

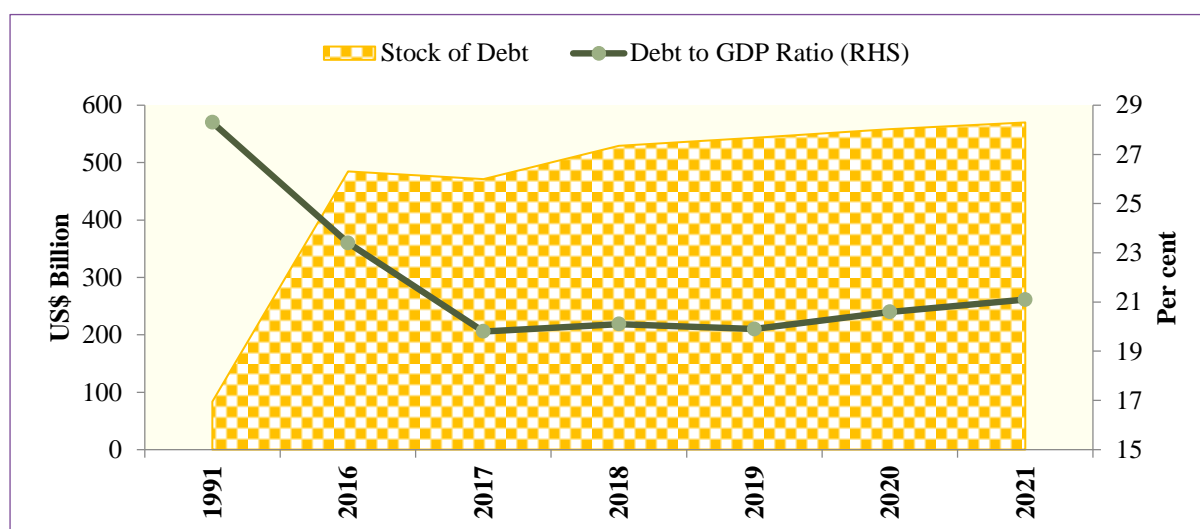
**Figure 1.3: External Debt and Valuation Effect**

Source: RBI

### 1.3 EXTERNAL DEBT AND GDP

1.9 External debt as a ratio to GDP rose marginally to 21.1 per cent as at end-March 2021 from 20.6 per cent a year ago. Reflecting the acceleration in the growth rate of external debt recorded during the first half of 2010s, the ratio witnessed gradual rise in the first half of 2010s and reached a high of 23.9 per cent as at end-March 2014 (Annex 2). It remained range-bound for the next two years around 23 per cent, before falling to 19.8 per cent as at end-March 2017. This ratio has hovered in the neighbourhood of 20 per cent since then. Note that this ratio was at 28.3 per cent in the crisis year 1991 (Figure 1.4).

Figure 1.4: India's External Debt and GDP



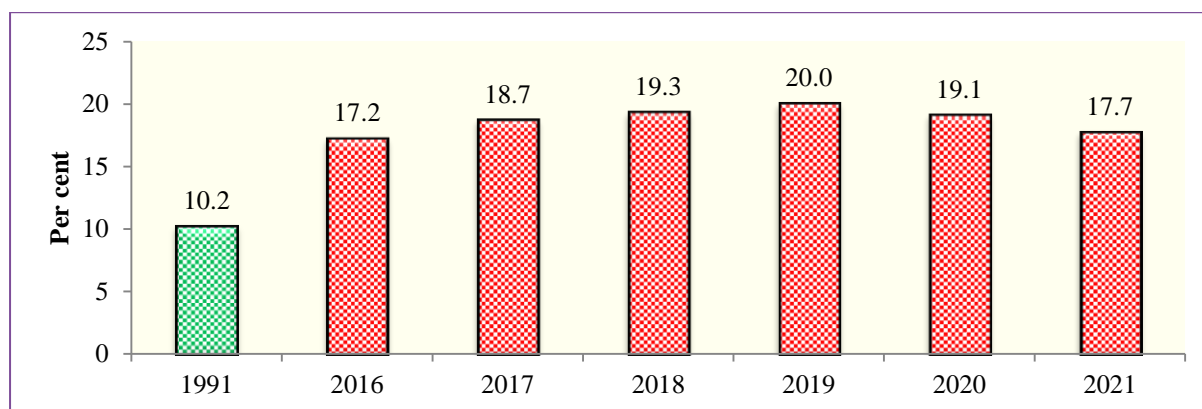
Source: Reserve Bank of India.

### 1.4 SHORT-TERM EXTERNAL DEBT TO TOTAL EXTERNAL DEBT

Short-term debt includes: (i) trade credit up to 180 days as well as above 180 days and up to 1 year, (ii) foreign Institutional Investor (FII) investments in Government Treasury Bills and corporate securities, (iii) investments by foreign central banks and international institutions in Treasury Bills, and (iv) external debt liabilities of central bank and commercial banks. Short-term debt is considered as a part of volatile capital flows. Therefore, accumulation of a relatively large size of short-term debt exposes the economy to external shocks. In the Indian context, realizing its nature and characteristics, short-term debt has been prudently permitted post 1991. Besides, generally no roll over of short-term credits beyond six months is allowed and RBI monitors the stock of short-term debt on an on-going basis. Consequently, the short-

term debt in India is maintained within the manageable level. As at end-March 2021, the short-term debt as a ratio to total external debt continued its downward trend observed in the previous two years and stood at 17.7 per cent (Figure 1.5).

**Figure 1.5: India's Short-term External as a Ratio to Total Debt**

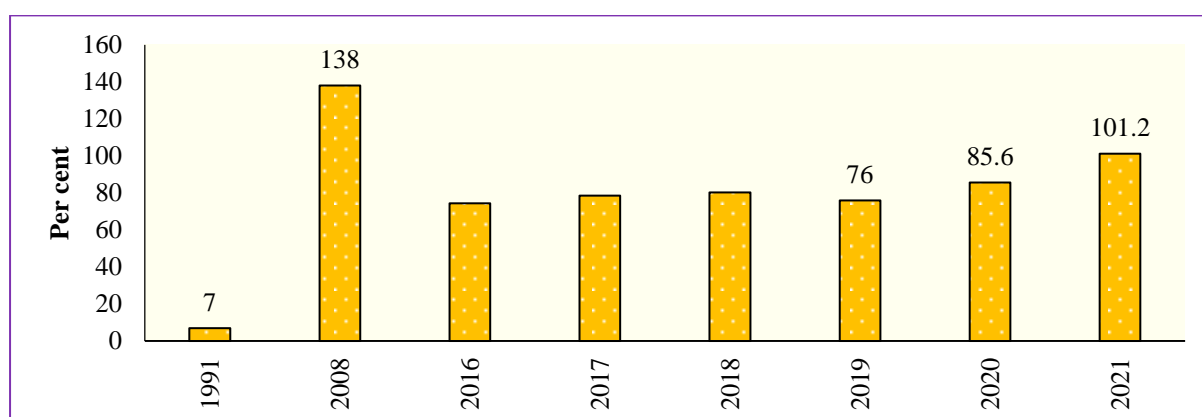


Source: RBI

## 1.5 FOREIGN EXCHANGE RESERVES TO EXTERNAL DEBT

1.10 Continuing the rising trend discernible in recent years, foreign exchange reserves as a ratio to external debt stood at 101.2 per cent as at end-March 2021, showing an increase of 15.6 percentage points over the ratio registered a year ago. This ratio, which was at 138 per cent as at end-March 2008, fell consistently during the first of 2010s and has stabilised since 2015. It may be noted that the forex reserve cover to the external debt was only 7 per cent in the crisis year 1991 (Figure 1.6).

**Figure 1.6: Ratio of Foreign Exchange Reserves to External Debt**



Source: Reserve Bank of India

Thus, learning from the crisis, India has made efforts to stabilize its external debt.

## Appendix 1: Details of ARIMA Estimation Procedure

There are four steps in the ARIMA estimation procedure: testing for stationarity; identification of ARMA structure; model estimation and forecasting. These steps are explained in detail below:

### I. Stationarity Test: Unit Root Results

For the purpose of testing the stationarity, Augmented Dickey-Fuller test (ADF) and Phillips-Perron (PP) test are employed. The results of these tests both at the level and at first-difference (of India's external debt) are reported below

	Level	At. First difference
ADF	-0.976 (0.75)	-6.813 (0.00)
PP	-0.951 (0.76)	-6.733 (0.00)

Figures in bracket are P-Values

Source: Report's calculations

*Based on the results above, it is evident that ED is  $I(1)$  process.*


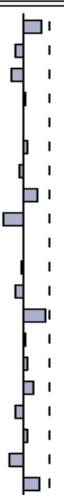
### II. Identification of ARMA structure

Correlogram of D(ED) is as follows:

Date: 07/03/21 Time: 11:30

Sample (adjusted): 2004Q3 2021Q1

Included observations: 67 after adjustments

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob
		1 0.164	0.164	1.8771	0.171
		2 -0.042	-0.070	2.0005	0.368
		3 -0.120	-0.104	3.0331	0.387
		4 -0.025	0.011	3.0780	0.545
		5 0.015	0.007	3.0952	0.685
		6 0.056	0.040	3.3309	0.766
		7 -0.019	-0.037	3.3576	0.850
		8 0.104	0.125	4.2072	0.838
		9 -0.142	-0.183	5.8162	0.758
		10 -0.069	-0.008	6.2003	0.798
		11 -0.044	-0.023	6.3581	0.848
		12 -0.038	-0.069	6.4779	0.890
		13 0.177	0.203	9.1706	0.760
		14 0.107	0.017	10.177	0.749
		15 0.018	0.030	10.205	0.807
		16 0.066	0.090	10.602	0.833
		17 -0.076	-0.066	11.142	0.849
		18 0.007	0.033	11.147	0.888
		19 -0.085	-0.131	11.835	0.893
		20 0.085	0.152	12.541	0.896

The above chart indicates that both AR and MA are 0 as none of the lags are significant. Thus, the identified best ARIMA model is ARIMA (0,1,0), which is a special case of ARIMA models and is nothing but the white noise/random walk process as shown below

$$ED_t - ED_{t-1} = \alpha$$

$$ED_t = ED_{t-1} + \alpha \dots\dots\dots (1)$$

**Model 1 above is used for estimation and forecasting.**

### III. Model Estimation

Dependent Variable: DED

Method: Least Squares

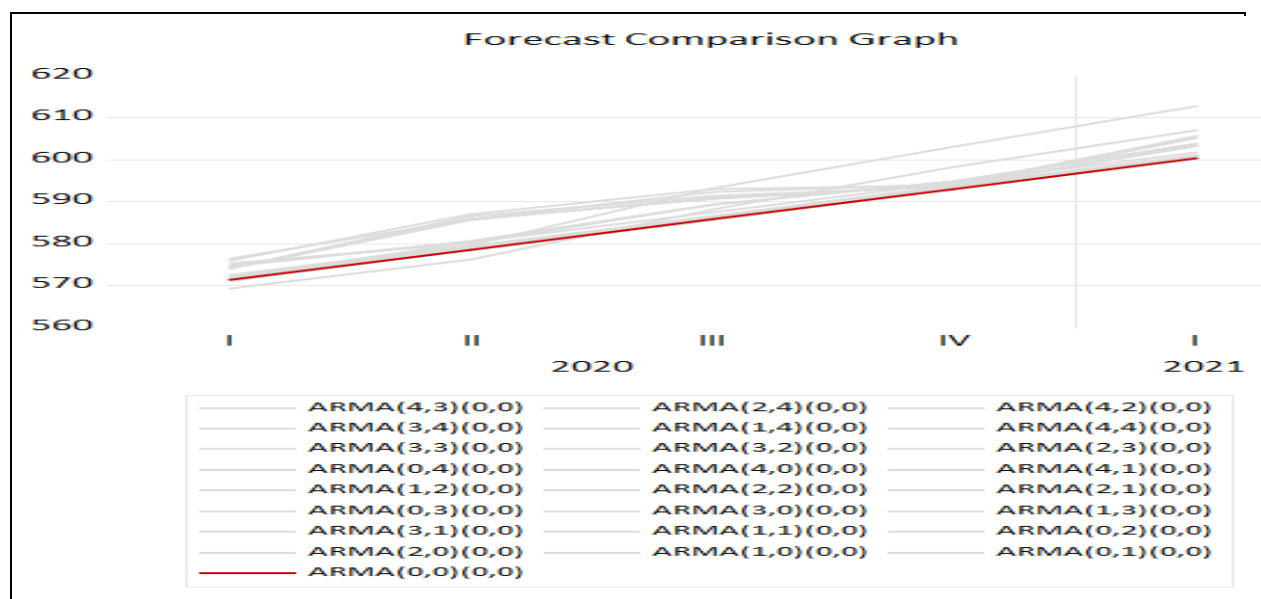
Date: 06/04/21 Time: 11:52

Sample (adjusted): 2004Q3 2019Q4

Included observations: 62 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.274194	1.144774	6.354262	0.0000
R-squared	0.000000	Mean dependent var		7.274194
Adjusted R-squared	0.000000	S.D. dependent var		9.013959
S.E. of regression	9.013959	Akaike info criterion		7.251423
Sum squared resid	4956.339	Schwarz criterion		7.285732
Log likelihood	-223.7941	Hannan-Quinn criterion		7.264894
Durbin-Watson stat	1.719213			



### Forecast Models: A Comparison



Source: Report's calculations

As can be seen among the array of models tested, ARMA(0,0) comes out the best fit.

The diagnosis test of residuals (correlogram of Q-statistics) of the ARMA (0,0) (0,0) is

Date: 06/04/21 Time: 12:14						
Sample: 2004Q3 2019Q4						
Included observations: 62						
Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
		1	0.135	0.135	1.1864	0.276
		2	-0.079	-0.099	1.6014	0.449
		3	-0.126	-0.104	2.6671	0.446
		4	0.019	0.046	2.6922	0.611
		5	0.061	0.035	2.9509	0.708
		6	0.054	0.034	3.1597	0.789
		7	-0.098	-0.100	3.8515	0.797
		8	0.074	0.124	4.2561	0.833
		9	-0.132	-0.179	5.5578	0.783
		10	-0.041	-0.005	5.6862	0.841
		11	-0.011	-0.004	5.6958	0.893
		12	-0.002	-0.038	5.6960	0.931
		13	0.117	0.138	6.8028	0.912
		14	0.042	-0.013	6.9499	0.937
		15	-0.055	-0.003	7.2028	0.952
		16	0.031	0.032	7.2836	0.967
		17	-0.120	-0.127	8.5563	0.953
		18	-0.041	-0.030	8.7099	0.966
		19	-0.123	-0.169	10.099	0.950
		20	0.099	0.172	11.020	0.946
		21	-0.047	-0.176	11.231	0.958
		22	-0.162	-0.115	13.841	0.907
		23	-0.153	-0.038	16.219	0.846
		24	-0.062	-0.161	16.620	0.864
		25	-0.065	-0.025	17.072	0.879
		26	0.079	-0.035	17.765	0.884
		27	-0.011	0.018	17.779	0.910
		28	0.039	-0.019	17.960	0.927

#### IV. ARMIA (0,1,0) Forecasting

As presented in the Box 1

## Chapter 2 Classification of India's External Debt

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*This chapter analyses the trends in India's external debt as classified according to sectors, creditors, debtors, currency, instruments, maturity and concessionality.*

*Sovereign debt, accounting for 18.8 per cent of the total external debt, rose 6.2 per cent to US \$ 107.2 billion, as at end-March 2021, as an increase in external assistance on government account more than neutralized a decline in FII investments in securities issued by the Government of India (G-sec). Non-sovereign debt, accounting for 81.2 per cent of the total external debt, posted a subdued growth of 1.2 per cent to US \$ 462.8 billion, as at end-March 2021 as the increase in the stock of NRI deposits was higher than the contraction in the stock of commercial borrowings and short-term trade credit.*

*Commercial lenders were the biggest creditors accounting for about 37.4 per cent of the outstanding debt as at-end March 2021, followed by NRI depositors (24.9 per cent) and trade-creditors (17.1 per cent). Debt from commercial lenders declined by 2.9 per cent to US \$ 213.2 billion. While deposits from NRIs at US \$ 141.9 billion grew by 8.7 per cent, trade credit shrank 4.1 per cent to US \$ 97.3 billion.*

*The largest borrowers were non-financial corporations with an outstanding debt of US \$ 255.4 billion as at end-March 2021, about 62 per cent of which was long-term in the form of loans through ECB route and FPI investments in debt securities. As at end-March 2021, access to foreign debt was primarily through loans accounting for 39.2 per cent, followed by deposits (26.2 per cent), trade credit (17.6 per cent) and bonds and notes (17.0 per cent).*

*The US dollar continued to be the leading currency of denomination accounting for 52.1 per cent of the total external debt as at-end March 2021. The share of Indian rupee was higher at 33.3 per cent than a year ago, despite a drop in the stock of FPI investment in G-Sec, as the outstanding deposits of NRERA account rose much higher.*

*Long-term debt, accounting for 82.3 per cent of the total debt, grew 3.8 per cent to US \$ 468.9 billion as at end-March 2021. Short-term debt, constituting 17.7 per cent of the total debt, fell 5.4 percent to US \$ 101.1 billion as at-end March 2021. Concessional debt, constituting 9.1 per cent of the total debt, rose 5.9 per cent to US \$ 51.8 billion as at end-March 2021.*

2.1 In this chapter, a granular composition of India's external debt is presented from the perspective of sectors, creditors, borrowers, instruments, currency, maturity and concessionality. Over the years, the trends in India's external debt have reflected the evolving broader macroeconomic framework, in general, and strategy on external debt, in particular. The overarching philosophy that guided policy included (i) gradual liberalisation of current account transactions eventually culminating in current account convertibility, (ii) gradual opening up of capital account, preferring non-debt flows to debt flows, and (iii) a calibrated approach to External Commercial Borrowings (ECBs) with restrictions on quantum of loan, end use, tenor, lender credentials, and cost of borrowing as well as prudent reliance on short-term debt.

## 2.1 SECTOR-WISE CLASSIFICATION

2.2 India's external debt could be classified into sovereign debt and non-sovereign debt, as defined in Annex I. Sovereign external debt (SED) comprises, *inter alia*, external assistance (from multilateral and bilateral sources) on government account and FPI investment in G-Sec and rupee debt (defence). There has been a gradual but discernible increase in the share of non-sovereign debt over the years and thereby a fall in share of SED. This reflects the impact of reforms aimed at enabling the private sector to raise debt externally (Box 2.1 of Status Report 2019-20)<sup>4</sup>.

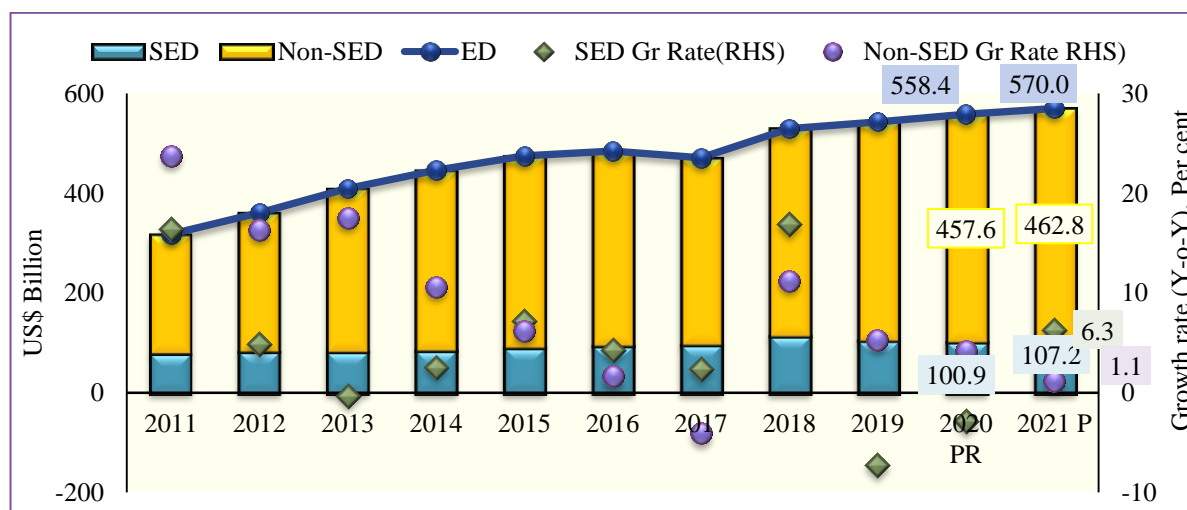
2.3 As at end-March 2021, the outstanding SED equalled US\$ 107.2 billion, increasing by 6.2 per cent over the level a year ago, reversing the contraction witnessed in the previous two years (Figure 2.1). During the last two years, it was the shrinkage of the stock of FPI investment in G-Sec that was contributing to the contraction in the stock of SED. The stock of such investment fell to US\$ 16.0 billion as at end-March 2021 from US\$ 21.6 billion a year ago. However, the increase in the stock of external assistance to US\$ 84.6 billion from 72.7 billion during the same period more than compensated for the continued fall in the stock of FPI investment in G-Sec. This increase in the external assistance was due to enhanced disbursements of COVID-19 loans from the multilateral agencies (see Chapter 3 for details).

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<sup>4</sup> <https://dea.gov.in/sites/default/files/India%27s%20External%20Debt%20-%20A%20Status%20Report%202019-20.pdf>

2.4 Non-sovereign external debt, estimated at US\$ 462.8 billion as at end-March 2021, posted a mild growth of 1.1 per cent over the level a year ago. Commercial borrowings, which account for 43 per cent of total non-sovereign debt, slid by 0.4 per cent to US\$ 197.0 billion as at end-March 2021<sup>5</sup>.

**Figure 2.1: India's External Debt: Sovereign and Non-Sovereign**



Source: RBI and Ministry of Finance.

Note: Figures in brackets are (y-on-y) growth rate. PR: Partially Revised; P: Provisional.

## 2.2 CREDITOR-WISE CLASSIFICATION

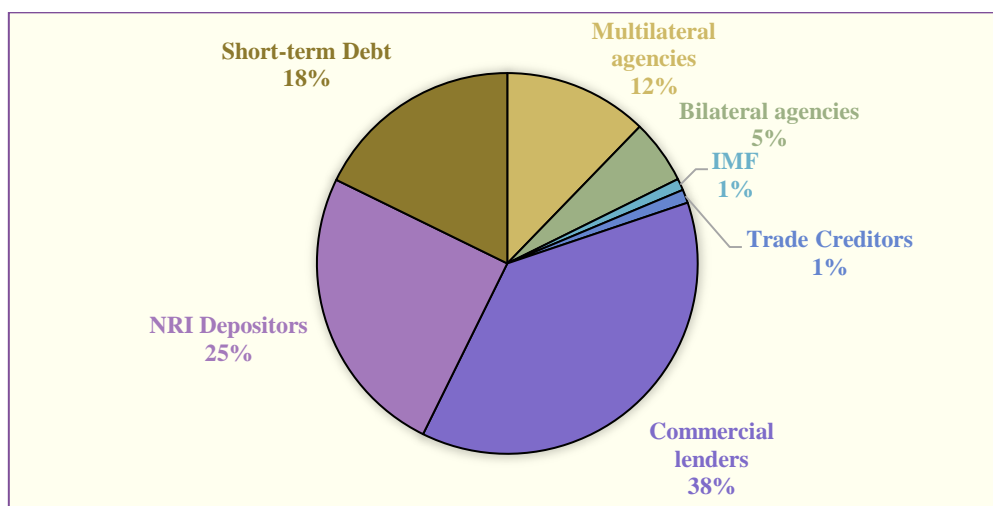
2.5 As explained in the previous edition of the Status Report for 2019-20, India's external debt statistics are disseminated in two distinct formats - the old format and the new/IMF format. Under the old format, the data is classified under the following broad categories of creditors: multilateral debt, bilateral debt, IMF-SDR, trade credit, commercial borrowings (CBs), non-resident deposits, rupee debt, and short-term debt. The new/IMF format is covered in Section 2.3 below, wherein India's external debt position is classified by debtor sectors, instruments and maturity.

2.6 India's external debt rose by 2.1 per cent to US \$ 570.0 billion as at end-March 2021 over the level a year ago. Commercial lenders are the biggest creditors accounting for 37.4 per cent of the debt outstanding as at-end March 2021, followed by NRI depositors (24.9 per

<sup>5</sup> Non-sovereign commercial borrowings = Total commercial borrowings minus FPI investment in G-Sec

cent), short-term trade creditors (17.1 per cent), and multilateral lenders (12.2 per cent) (Figure 2.2). These four groups of creditors account for about 92.0 per cent of the total debt.

**Figure 2.2: Share of External Debt as at-End March 2021: Creditor-Wise**



Source: RBI and Ministry of Finance.

**Table 2.1: India's External Debt: Creditor-Wise**

(US\$ Billion)

Item	Mar 2019 R	Mar 2020 PR	Mar 2021 P	Absolute Variation		Percentage Variation	
				Mar-20 over Mar-19	Mar-21 over Mar-20	Mar-20 over Mar-19	Mar-21 over Mar-20
I. Multilateral	57.4	59.9	69.7	2.5	9.7	4.4	16.3
II. Bilateral	26.6	28.1	31.0	1.5	2.9	5.6	10.4
III. International Monetary Fund	5.5	5.4	5.6	-0.1	0.2	-1.7	3.8
IV. Trade Credit	7.7	7.0	6.5	-0.7	-0.5	-9.2	-6.8
V. Commercial Borrowings	205.8	219.5	213.2	13.7	-6.3	6.7	-2.9
VI. NRI Deposits (above one-year maturity)	130.4	130.6	141.9	0.2	11.3	0.1	8.7
VII. Rupee Debt *	1.2	1.0	1.0	-0.1	0.0	-11.7	-4.6
VIII. Short-term Debt	108.4	106.9	101.1	-1.5	-5.8	-1.4	-5.4
a) Trade related credits	102.4	101.4	97.3	-1.0	-4.1	-1.0	-4.1
<b>Total</b>	<b>543.1</b>	<b>558.4</b>	<b>570.0</b>	<b>15.3</b>	<b>11.5</b>	<b>2.8</b>	<b>2.1</b>

Source: RBI and Ministry of Finance.

Note: R: Revised; PR: Partially Revised; P: Provisional.

2.7 As at end-March 2021, debt from multilateral agencies equalled US\$ 69.7 billion (rising by as much as 16.3 per cent over the level a year ago) and that from bilateral sources was US\$ 31.0 billion (10.4 per cent). Debt from commercial lenders (the single largest lender) at US\$ 213.2 billion contracted by 2.9 per cent. Notably, debt from short-term creditors at US\$ 101.1 billion contracted by 5.4 per cent over the level as at end-March 2020, primarily reflecting a decline of 4.1 per cent from trade creditors (the single-largest short-term creditor). Deposits from NRI depositors – the second-largest lenders after commercial lenders – estimated at US \$141.9 billion as at end-March 2021 rose by 8.7 per cent from the level a year ago. Table 2.1 below presents the creditor-wise data for recent years, while Annex III and Annex IV present a longer time series creditor-wise data in rupee crore and US dollar million, respectively.

2.8 Putting the data from Table 2.1 and Figure 2.2 together, aggregate debt grew moderately (2.1 per cent) as at end-March 2021 over the level a year ago because rise in deposits from NRIs and loans from multilateral lenders together was larger than the contraction in loans from commercial and trade creditors. The above-mentioned compositional changes noticed as at end-March 2021 over end-March 2020 due to the pandemic contrasts with that recorded during the global financial crisis of 2008 (Box 2).

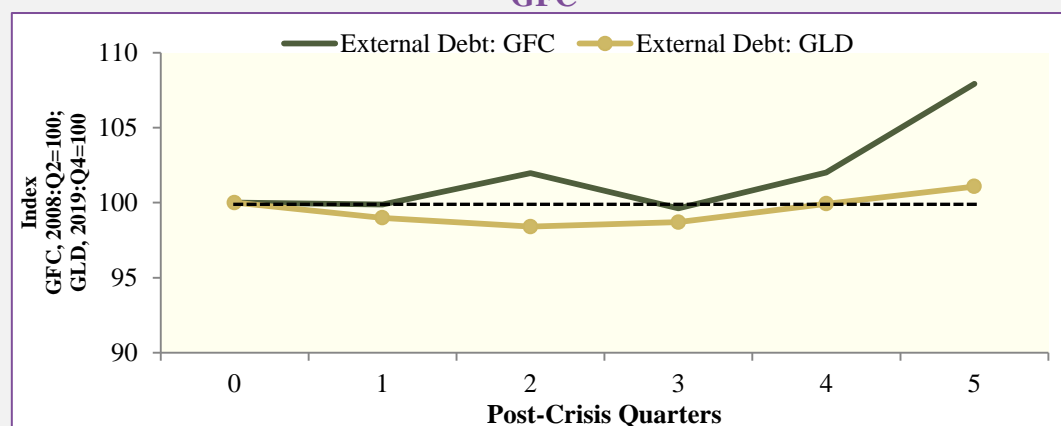
### **Box 2: Performance of India's External Debt: Global Financial Crisis vs Great Lockdown**

Compared to pre-crisis levels, how did India's external debt perform during the Great Lockdown (GLD) and Great Financial Crisis (GFC)? This Box throws light on the stylised comparative trends though the nature and origin of the crises were different. However, studying the trends gives insights into how external sector is intertwined with nature of economic activity disruptions.

Compared to pre-crisis level, India's outstanding external debt (ED) declined more following the Great Lockdown (GLD) than post the Great Financial Crisis (GFC) in 2008. For three consecutive quarters post GLD, the level of external debt was below the pre-crisis level and it almost reached the pre-crisis level at the end of the 4<sup>th</sup> quarter since the outbreak of the pandemic (Q3 of 2020-21). In other words, it took four quarters for India's external debt to revert to pre-pandemic level in GLD. By the 5<sup>th</sup> quarter ending March 2021, the stock of ED surpassed the pre-crisis level. On the other hand, the level of India's ED remained, by and large, flat for three post-GFC crisis quarters, hovering around the pre-crisis

level and rose thereafter (Figure B2.1).

**Figure B2.1: Impact of GLD on India's stock of external debt was more than that of GFC**



Source: Report calculations

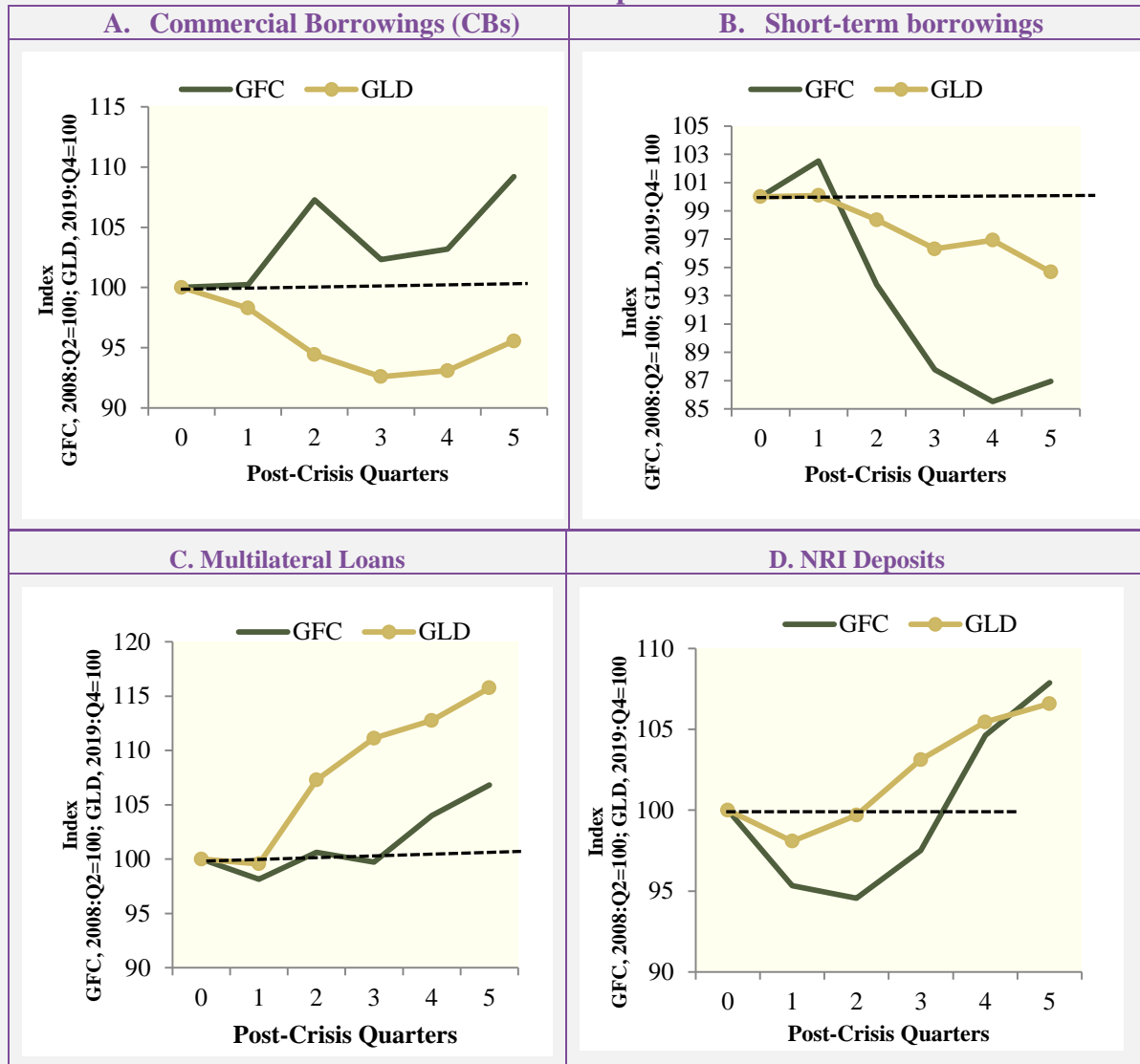
The level of external debt during GFC was significantly cushioned by a quick recovery in commercial borrowings (Figure B2.2A), which more than compensated the large contraction witnessed in the outstanding NRI deposits (Figure 2B.3) and short-term trade credit (Figure B2.2B).

The below pre-GLD level of external debt during the three COVID-19 quarters up until end-September 2020 (Figure B2.1) is due to large and continued below pre-GLD levels of commercial borrowings (Figure B2.2A) and short-term trade credit (Figure B2.2B) more than neutralising the above pre-GLD level of multilateral borrowings (Figure B2.2C) and NRI deposits (Figure B2.2D). However, the level of NRI deposits and multilateral borrowings powering much higher than the pre-GLD level during the subsequent quarters ending December 2020 and March 2021 more than compensated for the continued below pre-COVID levels of commercial borrowings and the short-term debt during the same period. As a result, the level of external debt almost reached pre-GLD level as at end-December 2020 and subsequently surpassed the pre-GLD level as at end-March 2021.

In other words, contraction in the stock of external debt, recorded during the GLD quarters, shallowed out in the subsequent quarters in sync with the calibrated unlocking process. The stock of India's external debt - estimated at US\$ 570 billion as at end-March 2021 – is larger than the pre-pandemic level of US\$ 563.9 billion as at end-December 2019 mainly due to an increase in the stock of NRI deposits and multilateral borrowings more than neutralising the fall in the stock of CBs and trade credit. The CBs, NRI deposits, the short-term credit and multilateral loans - the four largest components of India's external debt - account for over 92 per cent of the total debt. While the commercial borrowings are growth-sensitive, short-term credit is import-sensitive as more than 95 per cent of short-term credit is in the form of trade credit to finance imports. On the other hand, NRI deposits are basically arbitrage-seeking in

nature. The disruptive impact of COVID-19 is evident as CBs and short-term trade credit are still below the pre-pandemic levels.

**Figure B2.2: Due to falling commercial borrowings and short-term debt on the back of contracting trade credit for imports, notwithstanding acceleration in multilateral loans and NRI deposits**



Source: Report calculations

## 2.3 DEBTOR-WISE CLASSIFICATION

2.9 This sub-section presents the data in the New/IMF format wherein India's external debt position is classified by debtor sectors, instruments and maturity. The debtor sectors

include general government, central bank, deposit-taking corporations (except the central bank), other sectors (including other financial corporations, nonfinancial corporations, and households and non-profit institutions serving households (NPISHs)), and direct investment: intercompany lending. The sectoral position of debt is further classified by sector-specific instruments, viz., loans, debt securities, currency and deposits, trade credit and advances, SDR (allocations), and other debt liabilities, under short- term and long-term debt.

2.10 India's external debt as at end-March 2021 and as at-end March 2020 is presented in the new format in Table 2.2 below. The largest borrowers were non-financial corporations with an outstanding debt of US\$ 255.4 billion as at end-March 2021, about 62 per cent of which was long-term primarily in the form of loans through ECB route and debt securities by FPI investments. The remaining 38 per cent of debt of non-financial corporations was short-term in the form of trade credit to finance imports. The outstanding debt of non-financial corporations as at-end-March 2021 contracted by 1.1 per cent over the level a year ago. Short-term debt contracted by 4.1 per cent due to falling imports by these non-financial corporations during 2020-21. The long-term debt too shrank by about 1.0 per cent primarily reflecting decline in loans as corporate appetite to borrow from abroad waned amidst the pandemic.

**Table 2:2: India's External Debt: Debtor-wise**

Sector/ Instrument	Mar 2020 PR	Mar 2021 P	(US\$ Billion) Variation	
			Absolute	Per cent
<b>I. General Government</b>	100.9	107.2	6.3	6.3
<b>I.A. Short-term</b>	0.2	0.3	0.0	10.0
(ii) Debt securities	0.2	0.3	0.0	10.0
<b>I.B. Long-term</b>	100.6	107.0	6.3	6.3
(i) Special drawing rights (allocations)	5.4	5.6	0.2	3.8
(ii) Currency and deposits	0.0	0.0	0.0	-
(iii) Debt securities	21.6	16.0	-5.6	-26.1
(iv) Loans	71.6	83.2	11.6	16.2
(v) Trade credit and advances	1.9	2.1	0.2	10.1
<b>II. Central Bank</b>	0.2	0.2	0.0	-3.1

II.A. Short-term	0.2	0.2	0.0	-3.1
(i) Currency and deposits	0.2	0.2	0.0	-3.1
III. Deposit-taking Corporations, except the Central Bank	158.2	160.7	2.5	1.6
III.A. Short-term	3.3	1.7	-1.7	-49.5
(i) Currency and deposits	3.3	1.7	-1.7	-49.5
III.B. Long-term	154.9	159.1	4.2	2.7
(i) Currency and deposits	130.6	141.9	11.3	8.7
(ii) Debt securities	7.0	5.9	-1.1	-15.5
(iii) Loans	17.3	11.3	-6.1	-35.0
IV. Other Sectors	276.3	276.6	0.2	0.1
IV.1. Other financial corporations	40.9	46.4	5.5	13.6
IV.1.A. Short-term	1.7	1.7	0.0	-1.6
(ii) Debt securities	1.7	1.7	0.0	-1.6
IV.1.B. Long-term	39.2	44.7	5.6	14.2
(ii) Debt securities	16.3	16.9	0.6	3.7
(iii) Loans	22.9	27.8	5.0	21.7
IV.2. Non-financial corporations*	258.2	255.4	-2.8	-1.1
IV.2.A. Short-term	101.4	97.3	-4.1	-4.1
(iv) Trade credit and advances	101.4	97.3	-4.1	-4.1
IV.2.B. Long-term*	156.8	158.2	1.3	0.9
(ii) Debt securities	50.6	55.9	5.3	10.5
(iii) Loans*	105.3	101.3	-4.0	-3.8
(iv) Trade credit and advances	0.9	0.9	0.0	0.3
IV.3. Households and non-profit institutions serving households (NPISHs)	0.0	0.0	0.0	-15.4
IV.3.A. Short-term	0.0	0.0	0.0	-
IV.3.B. Long-term	0.0	0.0	0.0	-15.4
GROSS EXTERNAL DEBT POSITION (I to IV)	558.4	570.0	11.5	2.1

Source: RBI and Ministry of Finance.

\*: Includes inter-company lending

PR: Partially Revised; P: Provisional

2.11 The second-largest borrowers were deposit-taking corporations with an outstanding debt of US\$ 160.7 billion, of which about 99 per cent (US \$ 159.1 billion) was long-term, primarily in the form of NRI deposits (US \$ 141.9 billion). Outstanding debt of deposit-

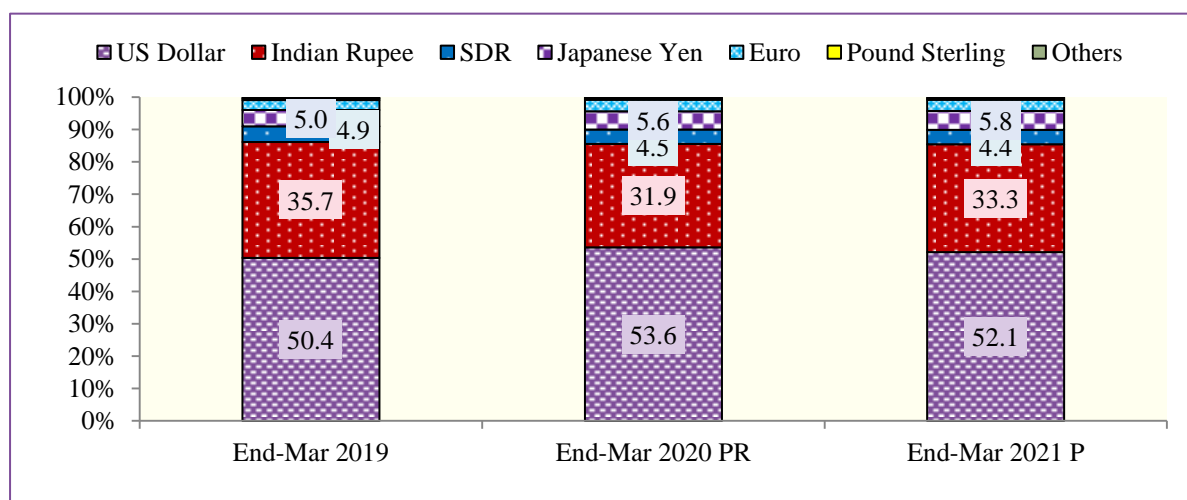
taking corporations as at end-March 2021 grew by 1.6 per cent mainly on the back of an increase in NRI deposits by 8.7 per cent over the level a year ago.

2.12 The general government was the third largest borrower with an outstanding debt of US\$ 107.2 billion as at-end March 2021, almost all of which was long-term in the form of loans from multilateral and bilateral creditors (US\$ 83.2 billion) and FPI investments in G-sec (US\$ 16.0 billion). The general government debt as at end-March 2021 rose significantly by 6.3 per cent over the stock a year ago due to a large increase of 16.2 per cent in the outstanding loans from multilateral and bilateral sources, which more than compensated for a large decrease of 26.1 per cent in stock of FPI investment in government securities as at-end March 2021 over that as at end-March 2019. As mentioned in Chapter 1, rise in COVID-19 loans accounted for this substantial rise in loans by the General Government. Annex VII presents a longer time series data on debtor by maturity wise external debt.

## 2.4 CURRENCY-WISE CLASSIFICATION

2.13 The US dollar continues to be the leading currency of denomination accounting for 52.1 per cent of the total as at-end March 2021 (Figure 2.3 and Annex IX). Deposits in Non-Resident (External) Rupee Accounts (NR(E)RA) and FPI investments in G-sec and corporate bonds are among the components of India's external debt which are denominated in Indian rupees. On the back of increasing NR(E)RA deposits and FPI investments, Indian rupee has gained in prominence over the years as a currency of denomination. As a result, Indian rupee is the second leading currency with a share of 33.3 per cent of the total as at end-March 2021. While the stock of FPI investment in G-Sec and corporate bonds declined to US\$ 49 billion as at end March 2021 from US\$ 53 billion a year ago, the stock of NR(E)RA deposits rose from US\$ 90.4 billion to US\$ 102.6 billion during the same period. Following the US dollar and the Indian rupee are the Japanese Yen (5.8 per cent), SDRs (4.4 per cent) and Euro (3.5 per cent).

**Figure 2.3: India's External Debt: Currency Composition**



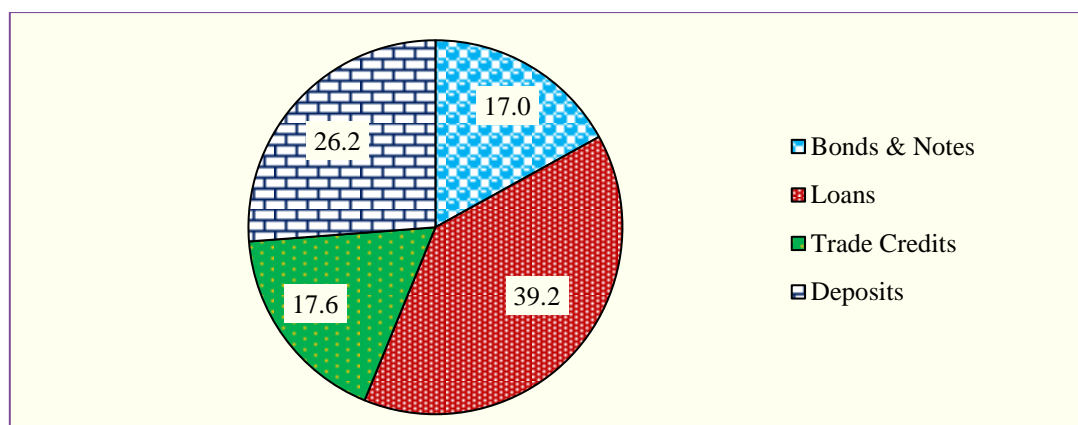
Source: RBI and Ministry of Finance.

PR: Partially Revised; P: Provisional

## 2.5 INSTRUMENT-WISE CLASSIFICATION

2.14 Instrument-wise classification of external debt in terms of bonds, loans, trade credits and deposits along with borrower details describes the mix of instruments through which debtors gain access to external financing. At end-March 2021, access to foreign debt by the debtors is primarily in the form of loans, accounting for 39.2 per cent (including multilateral, bilateral credit and bank loans), followed by deposits (26.2 per cent), trade credit (17.6 per cent) and bonds and notes (17.0 per cent) (Figure 2.4).

**Figure 2.4: India's External Debt as at end-March 2021 – Instrument-Wise**



Source: RBI

2.15 The bulk of external debt is in the form of loans for the Government (77.8 per cent), the non-financial public sector (79.8 per cent) and non-financial private sector (59.6 per cent), while NRI deposits constitute the major instrument (69.3 per cent) for the financial sector (Annex VIII). Trade credit has the major share (96.2 per cent) in short term external debt (Table 2.3).

**Table 2.3: India's External Debt: Instrument-Wise**

(US \$ Billion)

	<b>Borrower</b>	<b>Bonds &amp; Notes</b>	<b>Loans</b>	<b>Trade Credits</b>	<b>Deposits</b>	<b>Total</b>
<b>I</b>	Government:	16.0 (15.0)	83.2 (77.8)	2.1* (2.0)	5.6** (5.3)	107.0
<b>II</b>	Financial Sector <sup>@</sup> :	22.8 (11.2)	39.9 (19.5)	0.0 (0.0)	141.9 (69.3)	204.6
<b>III</b>	Non-Financial Public Sector	6.7 (20.2)	26.4 (79.8)	0.0 (0.0)	0.0 (0.0)	33.0
<b>IV</b>	Non-Financial Private Sector	49.3 (39.6)	74.1 (59.6)	0.9 (0.8)	0.0 (0.0)	124.3
<b>V</b>	Total Short Term External Debt	2.0 (1.9)	0.0 (0.0)	97.3 (96.2)	1.9 (1.8)	101.1
	Total External Debt (I to V)	96.7 (17.0)	223.5^ (39.2)	100.3 (17.6)	149.4 (26.2)	570.0

Source: RBI, CAAA, SEBI and Ministry of Defence

\* Signifies 'export credit' component of bilateral external assistance.

\*\* IMF SDR allocations have been classified as 'Deposits' under the 'Government' head.

@ Financial sector includes financial development institutions, commercial banks and non-banking financial companies.

^ Includes inter-company lending of US\$ 25.3 billion

Figures in brackets are share in the total

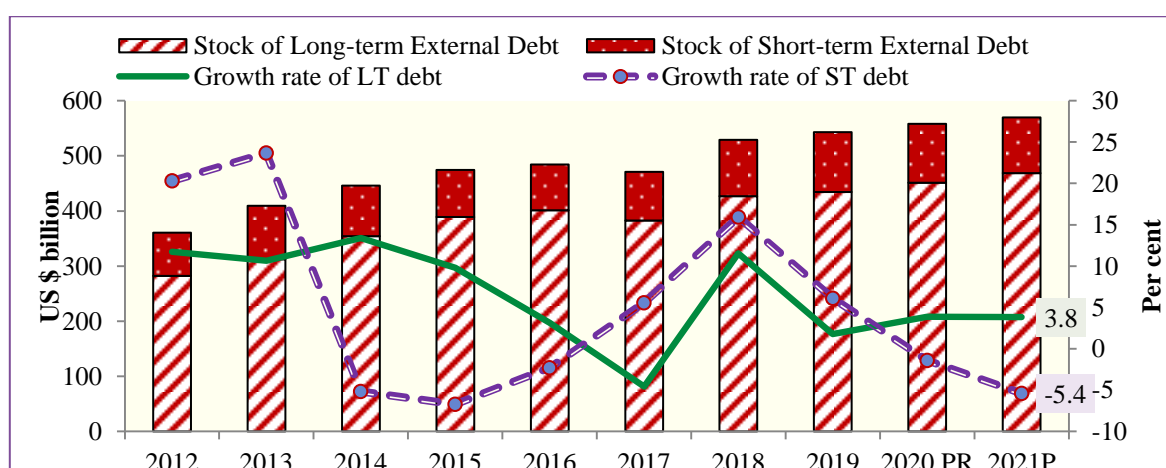
## 2.6 MATURITY-WISE CLASSIFICATION

2.16 In this section, total external debt is analysed from the stand-point of original maturity as well as residual maturity. Further, given its importance, original maturity of short-term debt is also examined.

## 2.6.1 Total External Debt by Original Maturity

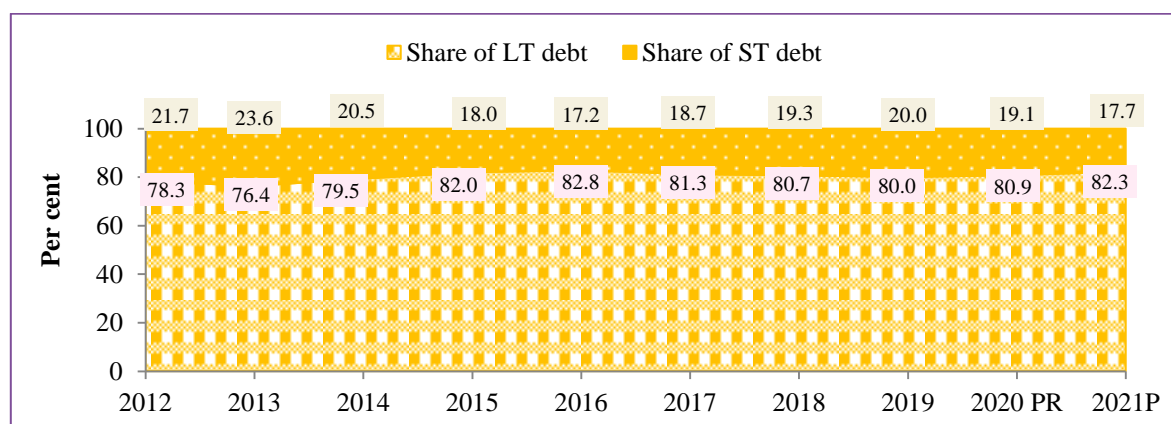
2.17 Figure 2.5 below presents the original maturity profile of India's external debt. Long-term debt, estimated at US\$ 468.9 billion as at end-March 2021, grew 3.8 per cent over the level a year ago. Short-term debt, on the other hand, is placed at US\$ 101.7 billion as at end-March 2021, contracting 5.4 per cent over the level a year ago (for details see below). There has been a significant moderation in the growth of both long and short-term debt in the recent years as compared to early 2010s. Further, short-term debt exhibited greater volatility than the long-term debt. In the early 2010s, short-term debt grew by over 20 per cent, followed by a large contraction in the mid-2010s.

**Figure 2.5: India's External Debt: Maturity-Wise**



Source: RBI and Ministry of Finance.

**Figure 2.6: Share of Long-term and Short-term Debt**



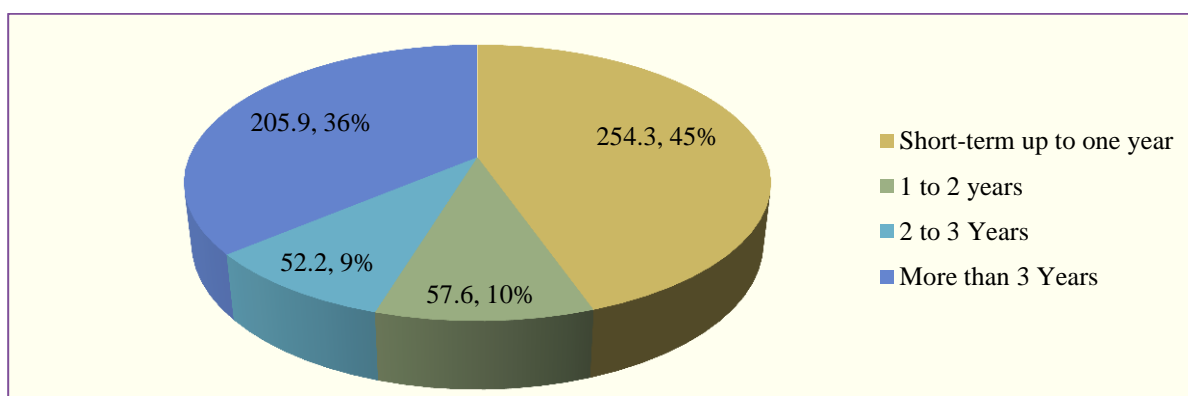
Source: RBI and Ministry of Finance.

2.18 Figure 2.6 presents the share of long-term and short-term external debt. The share of long-term debt at 82.3 per cent, as at-end March 2021, went up by 1.4 percentage points over that a year ago, continuing the rising trend witnessed last year. The share of short-term debt accordingly was lower at 17.7 per cent as at end-March 2021.

## 2.6.2 Total External Debt by Residual Maturity

2.19 The original maturity of external debt shows the nature of capital flows. In contrast, external debt compiled on the basis of residual maturity is useful in assessing debt servicing obligations during the year under review to assess the requirement of foreign exchange reserves to facilitate effective cash flow management. Analysis of total external debt by residual maturity reveals that as at end-March 2021, short term debt (residual maturity) of upto one year occupies a major share (44.6 per cent) in total debt, followed by the “more than 3 years” category (36.1 per cent), “1 to 2 years” (10.1 per cent) and “2 to 3 years” (9.2 per cent) (Figure 2.7).

**Figure 2.7: India’s External Debt: Residual Maturity-Wise**



Source: RBI

2.20 Short-term debt by residual maturity refers to principal repayments due under all loans and credits (both long-term and short-term) in one year or less. It comprises all the components of short-term debt with original maturity of one year or less, and repayments due under medium & long-term debt by original maturity during the one-year reference period. Short-term debt by residual maturity includes short-term debt by original maturity as well as long term debt repayments falling due within the next twelve months consisting of sovereign

debt, commercial borrowings and NRI deposits (Foreign Currency Non-Resident Bank Deposit [FCNR(B)], Non-Resident (External) Rupee Account [NR(E)RA] and Non-Resident Ordinary Account [NRO]) falling due in the short term (Annex X). The non-financial corporations and deposit-taking corporations together accounted for about 95 per cent of the total short-term debt on residual maturity basis. In the case of the non-financial corporations, the bulk of it was in the form of short-term trade credit to finance their imports, whereas in the case of the deposit-taking corporations, it was in the form of NRI deposits maturing within one year period.

2.21 On the other hand, general government, and non-financial corporations account for over 72 per cent of the stock of external debt maturing beyond three years. For the general government, it is in the form of repayment of multilateral and bilateral loans; for the non-financial corporations, it is in the form of repayment of long-term commercial loans (Table 2.4).

**Table 2.4: Residual Maturity of External Debt Outstanding as at End-March 2021**

Sector	(US\$ Billion)				
	Short-term up to one year*	1 to 2 years	2 to 3 Years	More than 3 Years	Total (2 to 5)
1	2	3	4	5	6
I. General Government	6.3	7.8	8.3	84.9	107.2
II. Central Bank	0.2	0.0	0.0	0.0	0.2
III. Deposit-taking Corporations, except the Central Bank	108.2	19.9	9.8	22.9	160.7
IV. Other Sectors	134.0	27.1	30.9	84.6	276.6
IV.1. Other financial corporations	6.0	9.4	10.8	20.2	46.4
IV.2. Non-financial corporations	127.9	17.6	20.1	64.4	230.1
IV.3. Households and nonprofit institutions serving households (NPISHs)	0.0	0.0	0.0	0.0	0.0
V. Direct Investment: Intercompany Lending	5.6	2.8	3.2	13.5	25.3
<b>Total Debt (I+II+III+IV+V)</b>	<b>254.3</b>	<b>57.6</b>	<b>52.2</b>	<b>205.9</b>	<b>570.0</b>
<i>Memo Items:</i>					

<b>Short-term Debt (residual maturity) as per cent of Total External Debt</b>	44.6
<b>Short-term Debt (residual maturity) as per cent of Foreign Exchange Reserves</b>	44.1

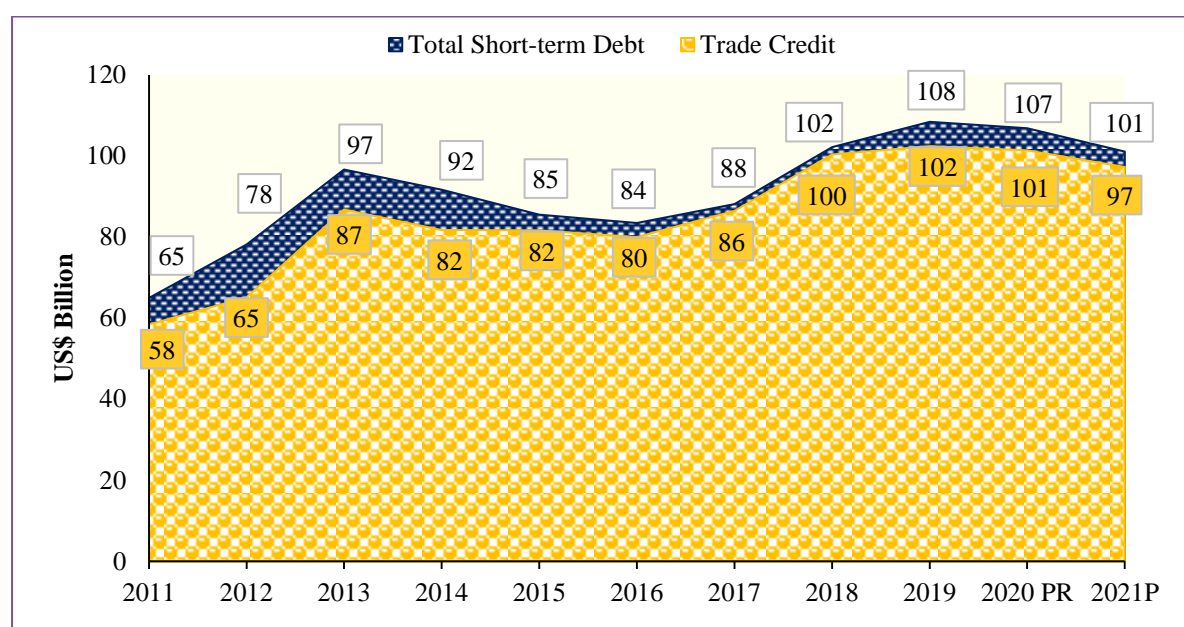
\*: Short-term debt by residual maturity comprises long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity.

Source: RBI.

### 2.6.3 Short-term Debt by Original Maturity

2.22 As documented in the Box 2.1 of the previous edition of the Status Report for 2019-20 and data presented in Annex IV, trade credit is the dominant component of short-term debt, accounting for about 95 per cent (Figure 2.8).

**Figure 2.8: India's Short-term External Debt by Original Maturity**

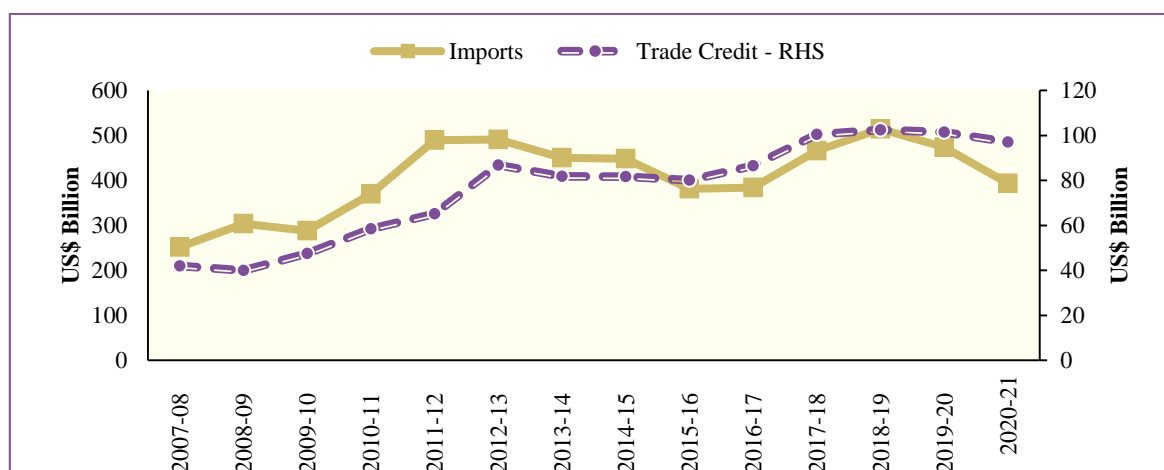


Source: RBI and Ministry of Finance.

2.23 As trade credit finances imports and imports contracted during 2020-21, trade credit contracted by 4.1 per cent and reached US\$ 97.3 billion as at end-March 2021 (Figure 2.9).<sup>6</sup>

<sup>6</sup>The correlation coefficient between imports (in US\$) and the stock of trade credit (in US\$) is as high as 0.84.

**Figure 2.9: Imports and Trade Credit**



Source: RBI.

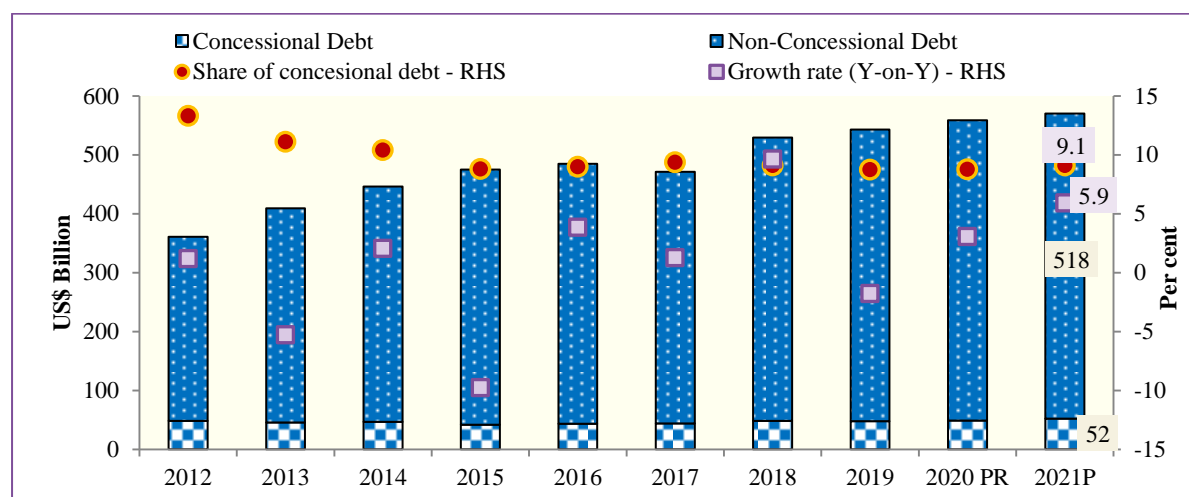
2.24 Among other components of short-term debt, external debt of commercial banks (NRI deposits with less than 1-year original maturity) was lower at US\$ 1.7 billion as at end-March 2021 than US\$ 3.3 billion a year ago. T-Bills continued to attract FII investments, and such investments amounted to US\$ 1.7 billion as at-end March 2021, the same level noticed a year ago, indicating continued interest of FIIs in T-Bills. The stock of FII investment in T-Bills was much higher during early 2010s. Illustratively, it was much higher at US\$ 9.4 billion as at end-March 2012. However, FII investment during mid-2010s turned negligible. The position of India's short-term debt in a cross-country perspective is presented in Chapter 5.

## 2.7 CONCESSIONALITY-WISE CLASSIFICATION

2.25 Softer terms of a loan in relation to prevailing market conditions indicate concessionality. Concessionality could be reflected in terms of lower rate of interest, elongation of maturity or repayment periods, etc. and is measured by the difference between the face value of a credit and the sum of the discounted future debt service payments. Different multilateral institutions follow different norms for classifying credits into concessional and non-concessional. In India, loans from a few multilateral institutions such as International Development Agency (IDA), International Fund for Agriculture Development (IFAD), and Organization of Petroleum Exporting Countries (OPEC), which have long maturity and relatively low interest rates/service charges, are treated as concessional. The

loans from other multilateral sources, such as the IBRD, ADB etc., however, are on terms close to market rates and are, therefore, classified as non-concessional. All Government borrowings from bilateral sources (except dollar denominated debt from Russia) are classified as concessional. Rupee debt, which is serviced through exports, is also treated as concessional.

**Figure 2.10: India's External Debt: Concessional and Non-Concessional Debt**



Source: RBI

2.26 As can be seen from the Figure 2.10 above, outstanding concessional debt remained by and large range-bound for many years. The concessional debt rose 5.9 per cent to US\$ 51.8 billion as at end-March 2021. As a share in the total debt, it declined significantly from around 20 per cent as at end-March 2008 to around 9 per cent as at end-March 2021.<sup>7</sup>

2.27 In sum, this Chapter describes India's external debt in terms of the various classifications. The chapter provides the following insights. As a result of proactive policy, the share of sovereign debt has witnessed a gradual, yet discernible decline, reflecting the reduced reliance on concessional loans from multilateral and bilateral sources under external assistance. Private sector, led by non-financial corporations, is the biggest beneficiary of external debt accessing foreign debt predominantly through loans; and maturity structure of India's external debt is favourable with the domination of long-term debt.

<sup>7</sup> For detailed evolution of concessional loans, pl see Box 2.1 of the previous Status Report for 2019-20

## Chapter 3 Sovereign External Debt

*Sovereign external debt rose to US\$ 107.2 billion at the end of March 2021 from US\$ 100.9 billion as at end-March 2020, primarily due to higher disbursement of COVID-19 loans during 2020-21 from multilateral agencies while other Government debt has reduced. Over the years, the borrowings under external assistance programme have dominated the Government debt, with its share at 78.8 per cent as at end-March 2021. Under external assistance programme, the borrowings are from multilateral and bilateral sources. Though the debt from multilateral sources accounts for the bulk, its share witnessed a steady decline since March 2015 till March 2020, before rising as at end-March 2021. On the other hand, the share of bilateral debt rose consistently from 2015 to 2020, but dropped to 31.8 per cent in March 2021.*

*FII investment in G-Sec remains the dominant component of Other Government Debt (OGD), though it fell by 26.1 per cent to US\$ 16.1 billion as at end-March 2021 from the level a year ago – contributing to the fall in OGD in March 2021. The US dollar denominated debt continued to be the largest component of India's sovereign external debt, with a share of 37.0 per cent as at end-March 2021, while there was sharp corresponding fall in the share of rupee denominated debt from 22.5 per cent as at end-March 2020 to 15.9 per cent as at end-March 2021.*

*Total sovereign external debt service payments saw slight contraction of 0.8 per cent to US\$ 6.3 billion in 2020-21 due to a fall in interest payments. Principal repayments – constituting the bulk of sovereign external debt servicing – amounted to US\$ 4.9 billion during 2020-21, while the rest (US\$ 1.4 billion) was interest payments. The multilateral debt service payments at US\$ 4.3 billion during 2020-21 form the major chunk of the total debt service payments under Government account, accounting for 72.4 per cent in 2020-21. The total sovereign external debt service payments during the current year (2021-22) are projected to increase to US\$ 8.5 billion, comprising principal repayments of US\$ 5.5 billion and interest payments of US\$ 3.1 billion. The total debt service payments on sovereign external debt are projected to peak in 2025-26 and taper off thereafter.*

### 3.1 INTRODUCTION

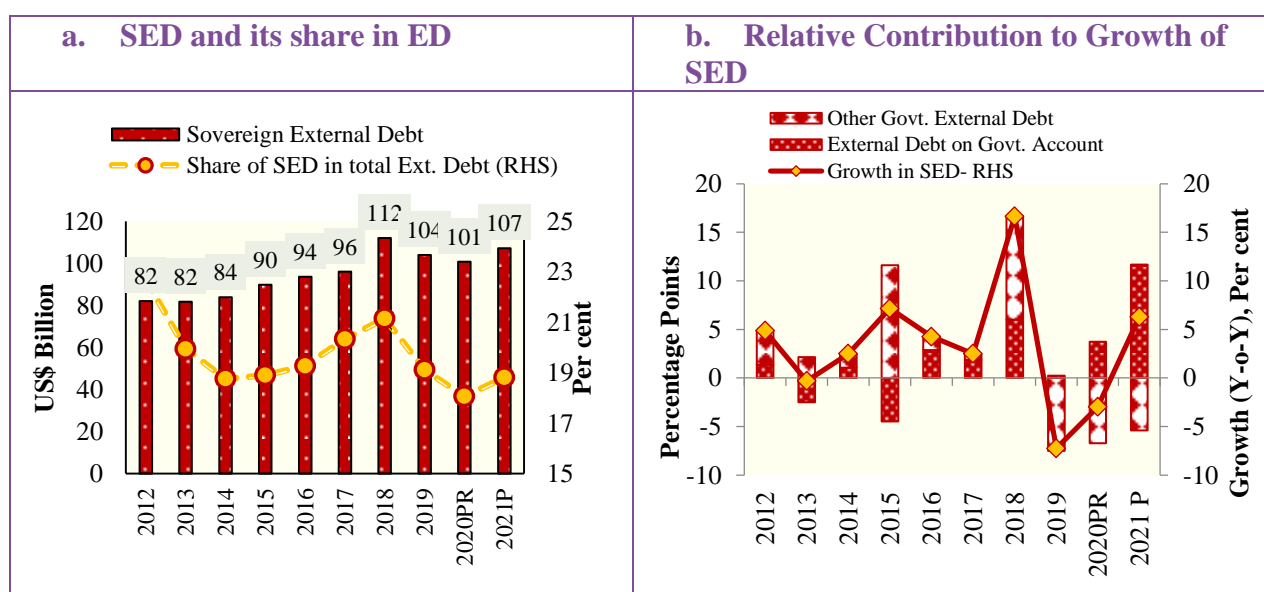
3.1 This chapter provides an overview of the emerging trends in the country's sovereign external debt, its creditor-wise composition, currency composition, sovereign debt service payments and explicit contingent liabilities of the Government. Government Debt/ Sovereign

External Debt (SED) refers to the foreign debt contracted by the Government or the extent of external liabilities taken by the Government.

3.2 SED includes (i) External debt outstanding on account of loans received by Government of India under the “external assistance” programme and civilian component of Rupee Debt; and (ii) “Other Government Debt” (OGD) comprising borrowings from IMF, defence debt component of Rupee debt as well as foreign currency defence debt and FII investment in Government Securities.

3.3 Sovereign external debt (SED) rose 6.3 per cent to US\$ 107.2 billion as at the end of March 2021 from US\$ 100.9 billion a year ago, reversing the decline observed in the recent past. As a result, its share in total external debt rose to 18.8 per cent from 18.1 per cent during the same period (Figure 3.1a). The increase in SED is mainly on account of significant rise in debt under external assistance while other Government debt fell (Figure 3.1b).

**Figure 3.1: Total Sovereign External Debt**



Source: Based on data in Annexure XVII of this Status Report

Note: PR is partially revised and P is provisional

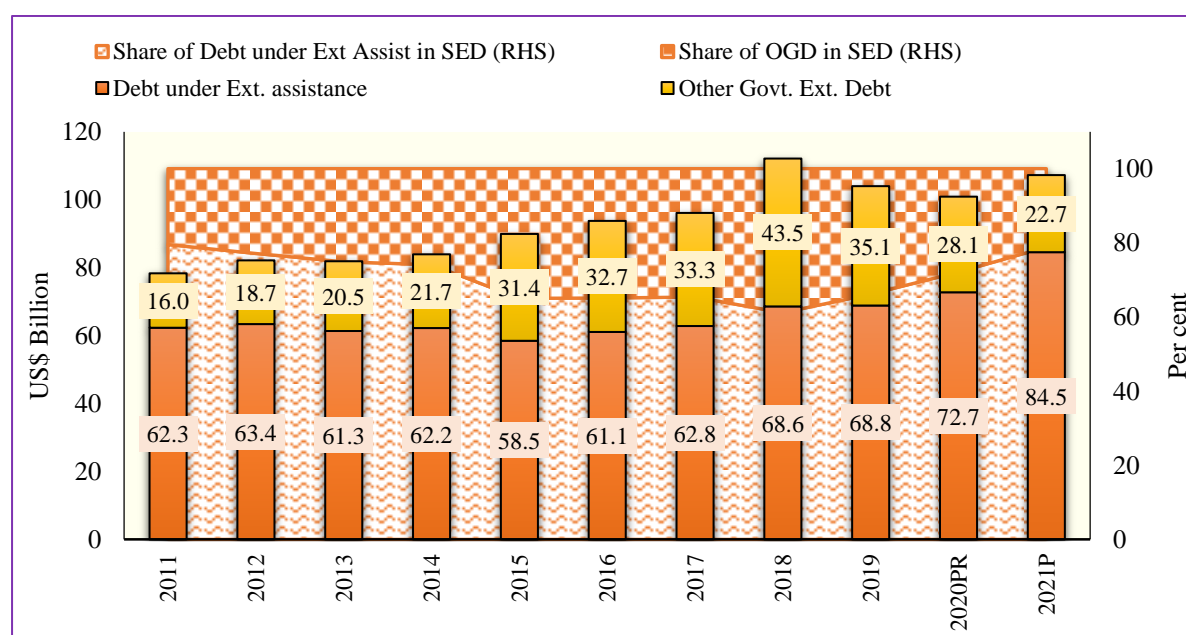
3.4 The creditor-wise classification of Sovereign External Debt in rupees and US dollars may be seen at Annexes XVI and XVII respectively.

## 3.2 COMPOSITION OF SOVEREIGN EXTERNAL DEBT

3.5 Debt under external assistance rose 16.2 per cent to US\$ 84.5 billion as at end-March 2021 from US\$ 72.7 billion a year ago. On the other hand, Other Government Debt (OGD) contracted by 19.4 per cent to US\$ 22.7 billion as at-end March 2021 from US\$ 28.1 billion as at end-March 2020. Consequently, while the share of external assistance in total sovereign external debt rose to 78.8 per cent from 72.1 per cent, that of OGD dropped to 21.2 per cent from 27.9 per cent in the above-mentioned period (Figure 3.2).

3.6 Over a longer time horizon, it can be seen that the share of debt under external assistance declined till end-March 2018 but rose subsequently. Accordingly, the share of OGD increased till end-March 2018 and fell thereafter (Figure 3.2).

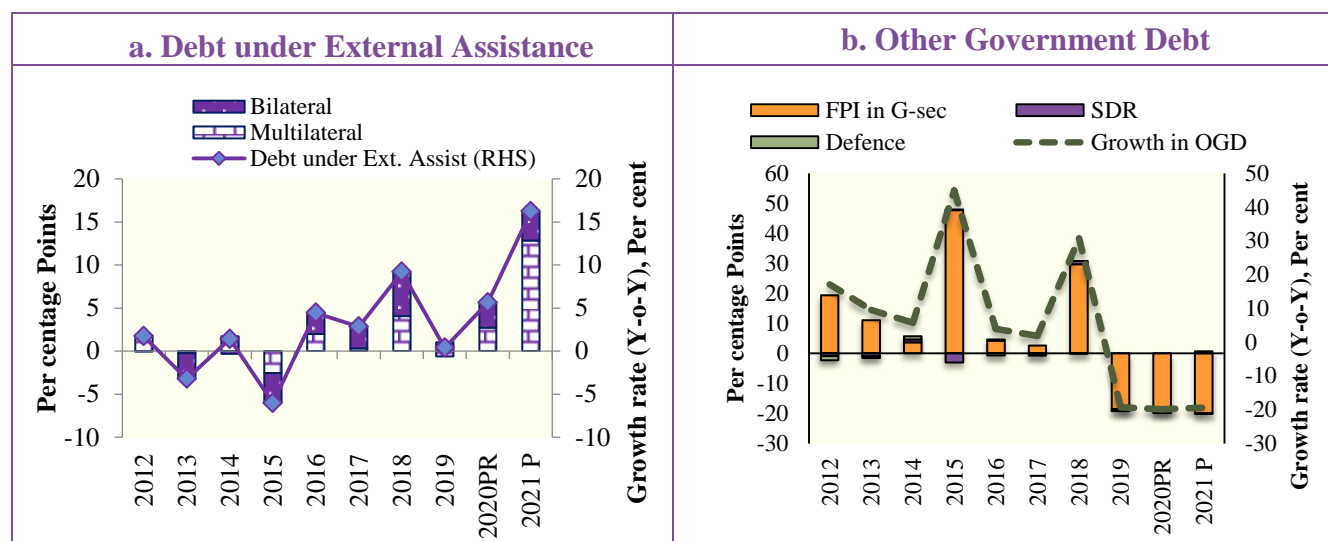
**Figure 3.2: Components of Sovereign External Debt**



Source: Based on data in Annexure XVII of this Status Report

3.7 The rise in debt under external assistance between end-March 2020 and end-March 2021 was due to enhanced disbursements of COVID-19 loans from the multilateral agencies (Figure 3.3a). The decline in OGD was attributed to the fall in FII investment in Government securities (Figure 3.3.b).

**Figure 3.3: Relative Contribution to Debt under External Assistance and Other Government Debt**

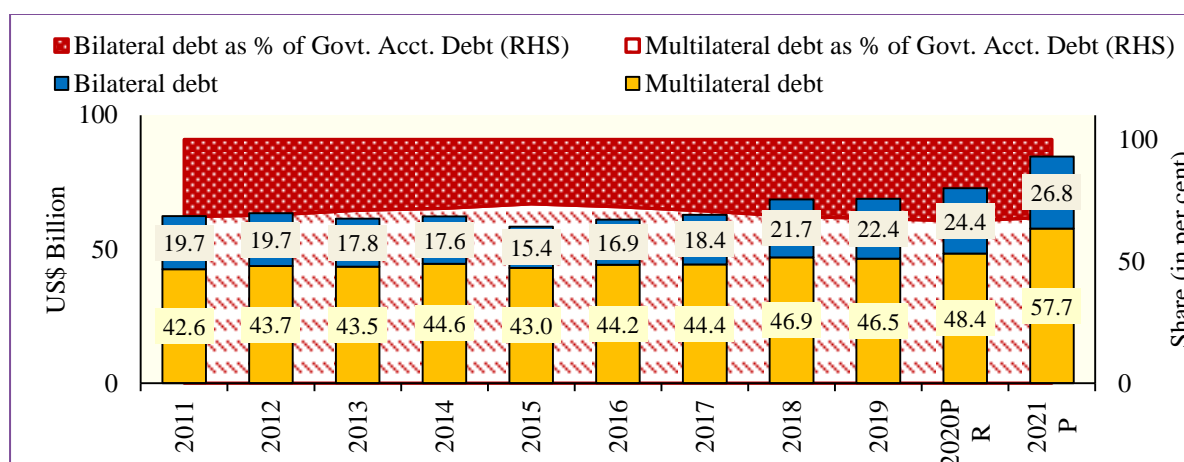


Source: RBI and Department of Economic Affairs

### 3.2.1 Composition of Debt under External Assistance

3.8 Under external assistance programme, the borrowings are mainly from multilateral and bilateral sources, which are long-term in nature. As at end-March 2021, multilateral debt rose by 19.3 per cent to US\$ 57.7 billion from US\$ 48.4 billion a year ago, while bilateral debt increased by 10.1 per cent to US\$ 26.8 billion from US\$ 24.4 billion in the same period. As can be seen from Figure 3.4, the debt from multilateral sources has dominated external debt on Government Account under external assistance over the years.

**Figure 3.4: Composition of External debt on Govt. Account under External Assistance Programme**



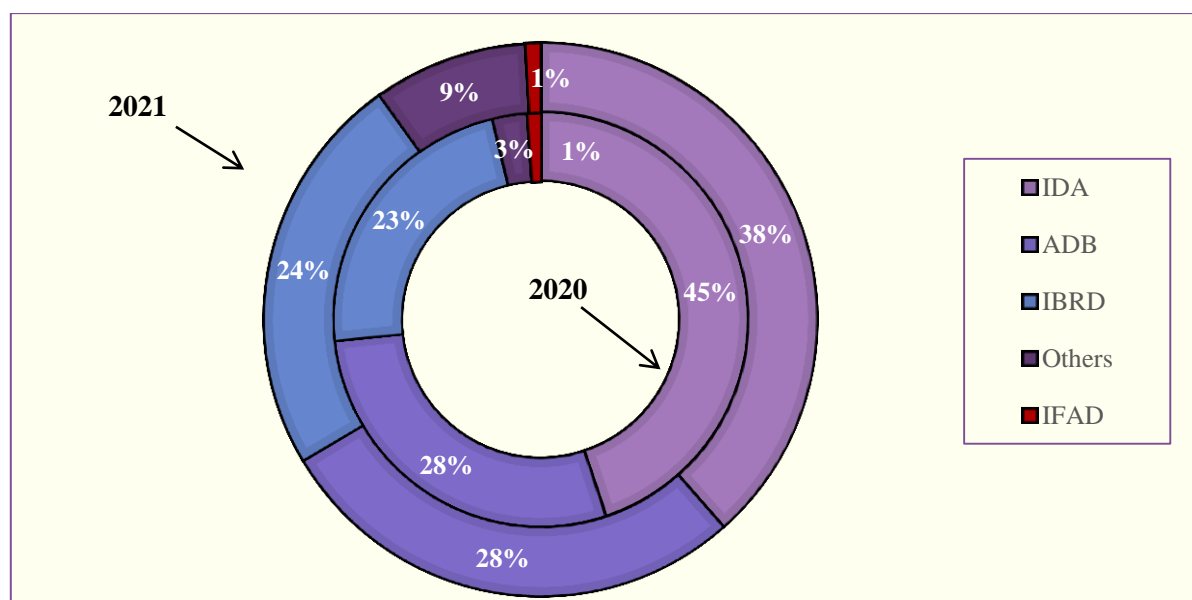
Source: Based on data in Annexure XVII of this Status Report

3.9 However, the share of multilateral debt in Government account debt witnessed a steady decline since March 2015 till March 2020, before rising as at end-March 2021. It is due to higher disbursement of COVID-19 loans during 2020-21 from multilateral agencies. On the other hand, the share of bilateral debt rose consistently from 26.4 per cent as at end-March 2015 to 33.5 per cent as at end-March 2020 but dropped to 31.8 per cent as at end-March 2021.

### 3.2.1.1 Multilateral Debt

3.10 The creditor-wise composition of multilateral debt at end-March 2021 and 2020 is given in Figure 3.5 below. It may be seen that International Development Association (IDA) continued accounting for bulk of the multilateral debt at US\$ 22.2 billion as at end-March 2021. However, its share witnessed continuous erosion from 60.0 per cent as at end-March 2014 to 38.5 per cent as at end-March 2021. This is compensated by consistent rise in the share of Asian Development Bank (ADB) which shot up from 16.0 per cent as at end-March 2011 to 28.0 per cent as at end-March 2021. The debt from ADB grew by 17.1 per cent to US\$ 16.1 billion as at end-March 2021 from US\$ 13.8 billion a year ago.

**Figure 3.5: Composition of Multilateral debt as at end-March 2021 and 2020**



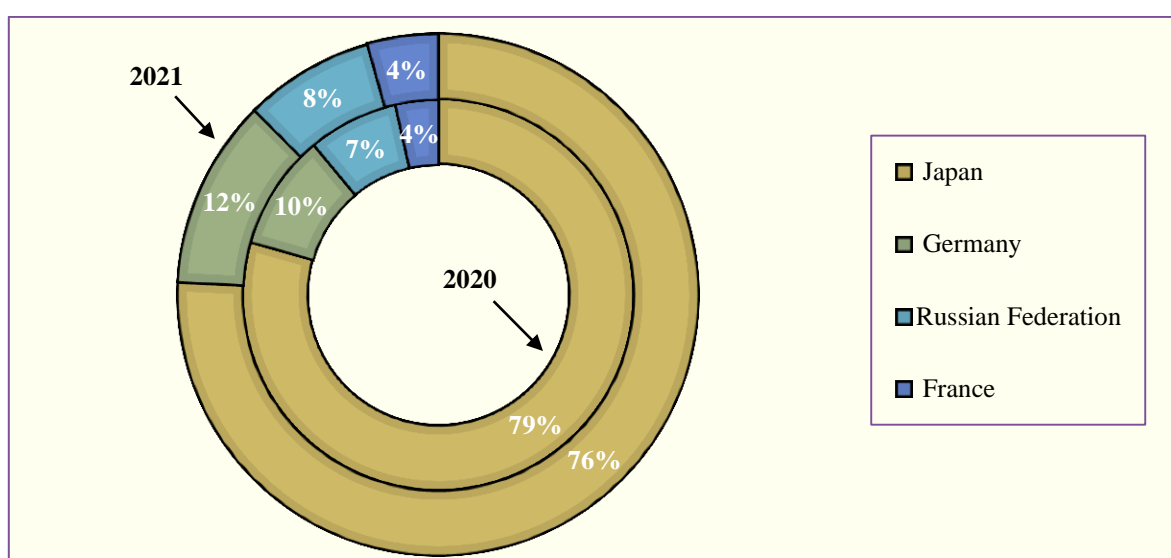
Source: Based on data in Annexure XVII of this Status Report

3.11 Debt from another important multilateral source i.e. International Bank for Reconstruction and Development (IBRD) increased by 23.4 per cent to US\$ 13.6 billion as at end-March 2021 from US\$ 11.1 billion a year ago. The share of IBRD rose moderately from 20.2 per cent as at end-March 2018 to 23.7 per cent as at end-March 2021. As explained in Section 2.7 of Chapter 2, the loans from ADB, IBRD are classified as non-concessional and the rising share of these institutions in the total external assistance underscores the dwindling access to concessional finance.

### 3.2.1.2 Bilateral Debt

3.12 Within bilateral debt, Japan continues to be the largest creditor to India, accounting for 75.6 per cent at end-March 2021, followed by Germany (11.8 per cent), Russia (8.1 per cent), and France (4.3 per cent). Though the bilateral debt from Japan grew by 5.2 per cent to US\$ 20.3 billion as at end-March 2021 from US\$ 19.3 billion a year ago, the share shrank to 75.6 per cent from 79.1 per cent. The debt from both Germany at US\$ 3.2 billion and France at US\$ 0.8 billion rose by around 36 per cent, while debt from Russia at US\$ 2.2 billion went up by 19 per cent, resulting in increase in their shares in total bilateral debt as at end-March 2021, compared to last year. The creditor-wise composition of bilateral debt at end-March 2021 and 2020 is given in Figure 3.6 below.

**Figure 3.6: Composition of Bilateral debt as at end-March 2021 and 2020**



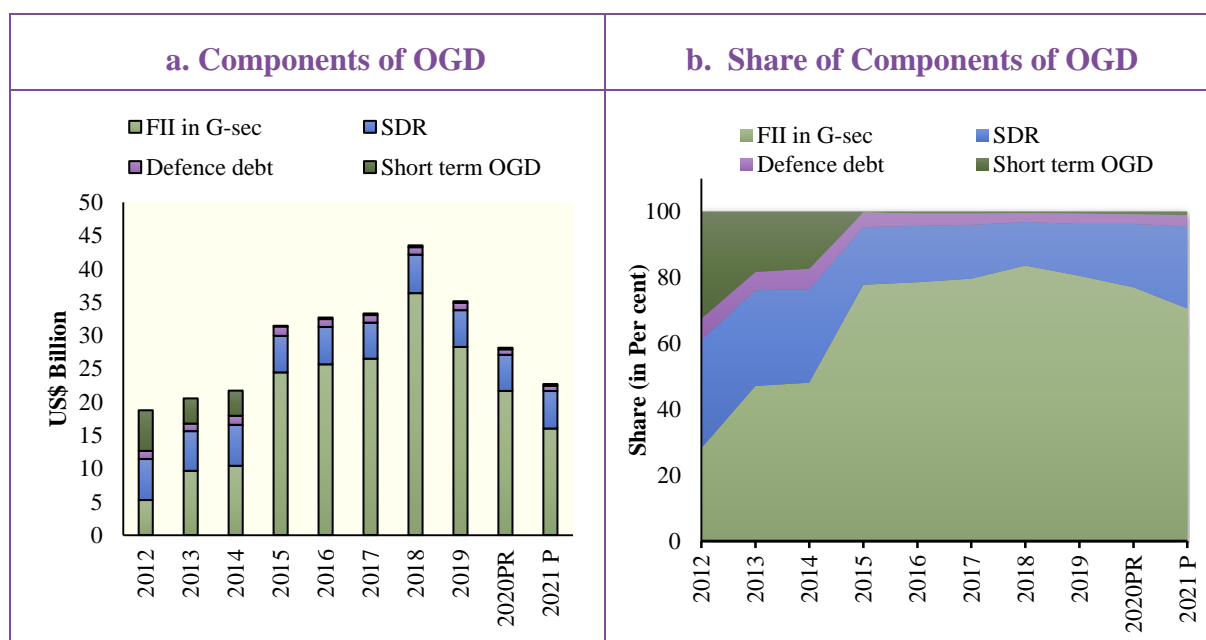
Source: Based on data in Annexure XVII of this Status Report

### 3.2.2 Composition of Other Government Debt

3.13 As mentioned above, “Other Government Debt” (OGD) comprises of borrowings from IMF (in SDR), defence debt component of Rupee debt as well as foreign currency defence debt and FII investment in Government Securities. Figure 3.7 below presents the composition of OGD.

3.14 The stock of OGD fell to US\$ 22.7 billion as at end-March 2021 from US\$ 28.1 billion a year ago. It can be seen from Figure 3.7 that FII investment in G-Sec remains the dominant component of OGD, though it fell by 26.1 per cent to US\$ 16.1 billion as at end-March 2021 from US\$ 21.6 billion a year ago. It is the decline in FII investment in Government securities that led to fall in Other Government debt in March 2021 (Figure 3.7b). Over a period of ten years, FII in Government securities went up from US\$ 5.3 billion as at end-March 2012 to US\$ 36.3 billion as at end-March 2018 before it came down to US\$ 16.0 billion as at end-March 2021, rising its share by around three times from 28.1 per cent to 70.5 per cent in total SED during the tenure of ten years.

**Figure 3.7: Composition of Other Government Debt (OGD)**



Source: Department of Economic Affairs

Note: FPI in G-Sec, SDR and Defence debt together constitute long term OGD.

3.15 This growing share of FII investment in G-Sec is in response to the calibrated opening up of the Indian debt market to foreign investment (Box 3).

### Box 3: FII Investment in Indian Debt: Policy and Performance

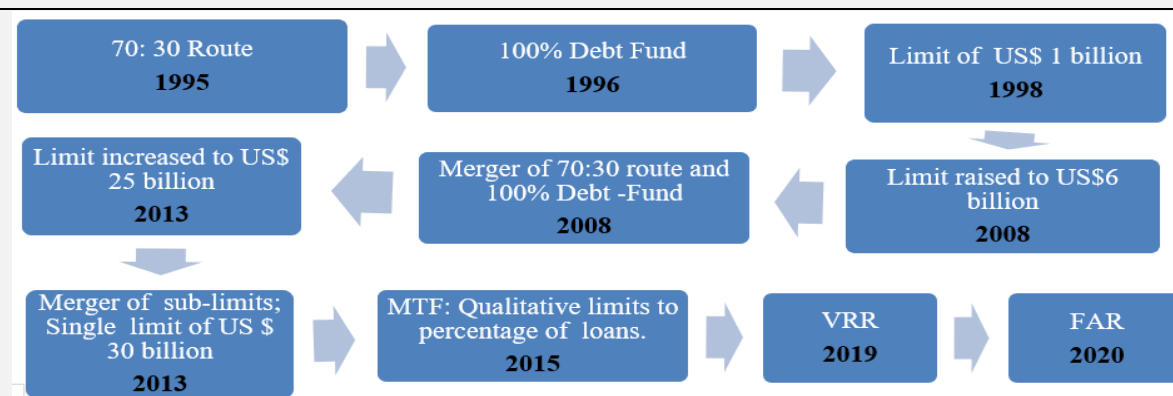
Capital account convertibility in India is viewed as a calibrated and gradual process rather than a one-time event. The Indian approach and experience contrasts with that of many other emerging market economies (EMEs), which had to reverse their capital account liberalisation in the wake of the adverse macroeconomic outcomes. This Indian stance on capital account was also at odds with the IMF's 'Washington Consensus'. Drawing from this overarching paradigm, policy to allow foreign capital into Indian debt market evolved over time. The motivation underlying the policy has been to exercise abundant caution towards debt-creating inflows. Policy facilitation has taken the form of (a) liberalisation of investment limits, (b) relaxation of eligibility conditions, (c) expansion of instruments eligible for FII investments and (d) procedural simplifications.

#### Historical Policy Perspective

In 1995, SEBI issued regulations permitting limited scope for FII investment in debt securities. Commonly referred to as '70:30 route', FIIs were provided freedom to purchase and sell in Indian capital market allocating their aggregate investments between equity and debt. In November 1996, FIIs were allowed to make 100 per cent investments in debt securities including Treasury Bills (TBs) and unlisted debt securities as a separate sub-category called 100 per cent debt funds.

In April 1998, FIIs were permitted to invest in dated government securities subject to a ceiling of US\$ 1 billion. Within this overall ceiling, SEBI prescribed separate limits of investment via the 70:30 route and the 100 per cent debt route. US\$ 100 million was permitted under the 70:30 route and US\$ 900 million was permitted under the 100 per cent debt route. The overall cap on investments in Government securities was revised from US\$ 1 billion to US\$ 1.75 billion in November 2004; to US\$ 2 billion in April 2006; to US\$ 2.6 billion in January 2007; to US\$ 3.2 billion in October 2007; to US\$ 5.0 billion in June 2008 to US\$ 6.0 billion in October 2008; and to US\$ 25 billion in April 2013. A major milestone towards rationalisation of FII investment in debt securities was achieved in 2008 when SEBI did away with the demarcation of FII investments under 70:30 and 100 per cent route.

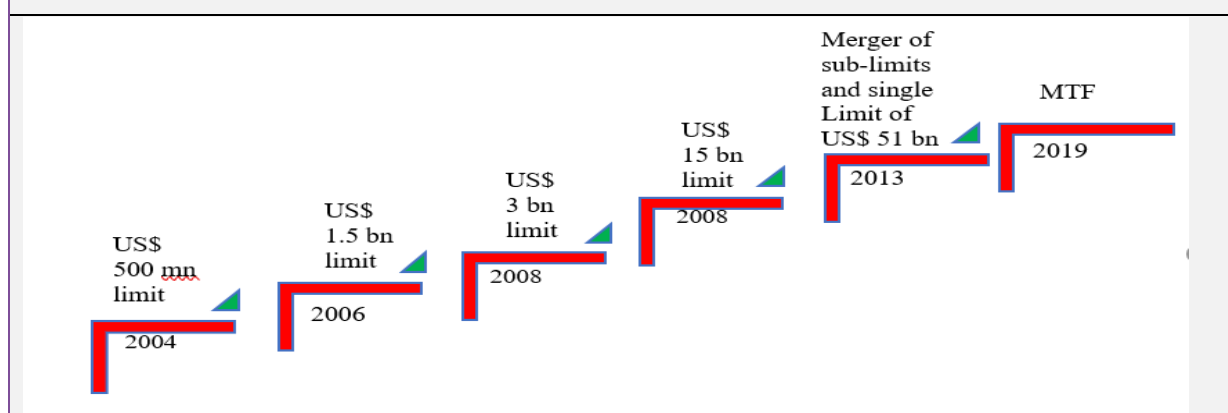
**Figure B3.1: Select Milestone Policy Developments for G-Sec Investments**



Source: RBI and SEBI

In December 2004 a separate limit of US\$ 500 million was announced for FII investment in corporate bonds. As was the case with investment by FIIs in government securities, the limit on FII investment in corporate bonds was revised upwards from time to time. Accordingly, the initial limit of US\$ 500 million was enhanced to US\$ 1.5 billion in April 2006; to US\$ 3.0 billion in June 2008; and to US\$ 15 billion in October 2008. While the limits were progressively increased, the framework governing FII investment in debt securities remained complex in terms of various sub-limits for various maturities and lock-in periods for various types of bonds. However, in April 2013, another major milestone was achieved through simplification of FII investment in debt securities as various sub-limits were merged and in June 2013, a single limit was put in place separately for investment in government securities at US\$ 30 billion and corporate bonds at US\$ 51 billion.

**Figure B3.2: Select Milestone Policy Developments for Corporate Bond Investments**



Source: RBI and SEBI

### Extant Policy

With the introduction of the Medium-Term Framework (MTF), the limits for FPI investments in the Indian debt moved from quantitative to percentage-based: in 2015 for FPI investments in government securities and in 2018 for corporate bonds. Further, this framework is subject to various macro-prudential and other regulatory norms including minimum residual maturity requirement, security-wise limit, concentration limit and single/group investor-wise limits which are revised from time to time. At present, the limit for FPI investment in Central Government securities is fixed at 6 per cent and in State Development Loans (including municipal bonds) at 2 per cent of outstanding stock of securities. The limit for FPI investment in corporate bonds is fixed at 9 per cent. In addition to MTF, there are two more routes for FPI investment in Indian debt markets, which are of recent origin viz., Voluntary Retention Route (VRR) introduced on March 1, 2019, and Fully Accessible Route (FAR), on April 1, 2020.

Investments through VRR are free of the macro-prudential and other regulatory norms applicable to FPI investments in debt markets, provided FPIs voluntarily commit to retain a required minimum percentage of their investments in India for a period. Participation through this route will be entirely voluntary. Investment under this route shall be capped at Rs.1,50,000 crore allocated among VRR-Govt, VRR-Corp, and VRR-Combined categories. Investment through this route shall be in addition to the General Investment Limit under

MTF. Under VRR-Govt, FPIs will be eligible to invest in any Government Securities i.e., Central Government dated Securities (G-Secs), Treasury Bills (T-bills) as well as State Development Loans (SDLs). Under VRR-Corp, FPIs may invest in any instrument listed under Schedule 1 to Foreign Exchange Management (Debt Instruments) Regulations, 2019.

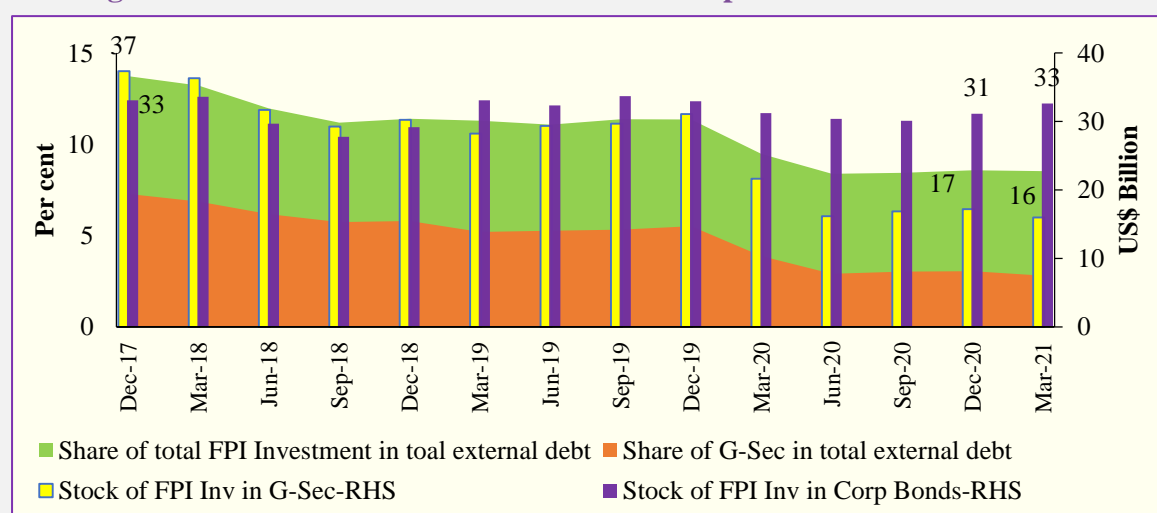
Under FAR, the eligible investors can invest in specified government securities without being subject to any investment ceilings. In addition to the five identified securities at the time of the introduction of the route, all new issuances of government securities of 5-year, 10-year and 30-year tenors are eligible for investment under the FAR as ‘specified securities’ from FY 2020-21.

FPI investment in G-sec and corporate bonds provides insulation against currency risk as it is rupee-denominated. The rupee-denominated external debt is the second-largest component of the total – at 33.3 per cent as at end-March 2021– following the US dollar. Further, in order to address potential volatility of FPI investments in Indian debt markets, adequate safeguards are part of the policy framework in terms of various macro-prudential and other regulatory norms. Illustratively, short-term investment by a foreign portfolio investor is capped (at 30 per cent) as a share to the total investment of that investor.

### Recent Trends

The total FPI investment in G-Sec and corporate bonds as at end-March 2021 stood significantly lower at US\$ 49 billion than US\$ 70 billion as at end-December 2017. As a result, in terms of share in the total external debt, it slid to 8.5 per cent from 13.7 per cent. The volatility has been higher in the recent years with the standard deviation of the share for the period between end-December 2017 and end-June 2019 being 1.1, while that for the period between end-September 2019 and end-March 2021 being 1.4. During the period between end-December 2017 and end-March 2021 the stock of FPI investment in corporate bonds remained around US\$ 30 billion, whereas that in G-sec more than halved from US\$ 37 billion to US\$ 16 billion (Figure B3.3).

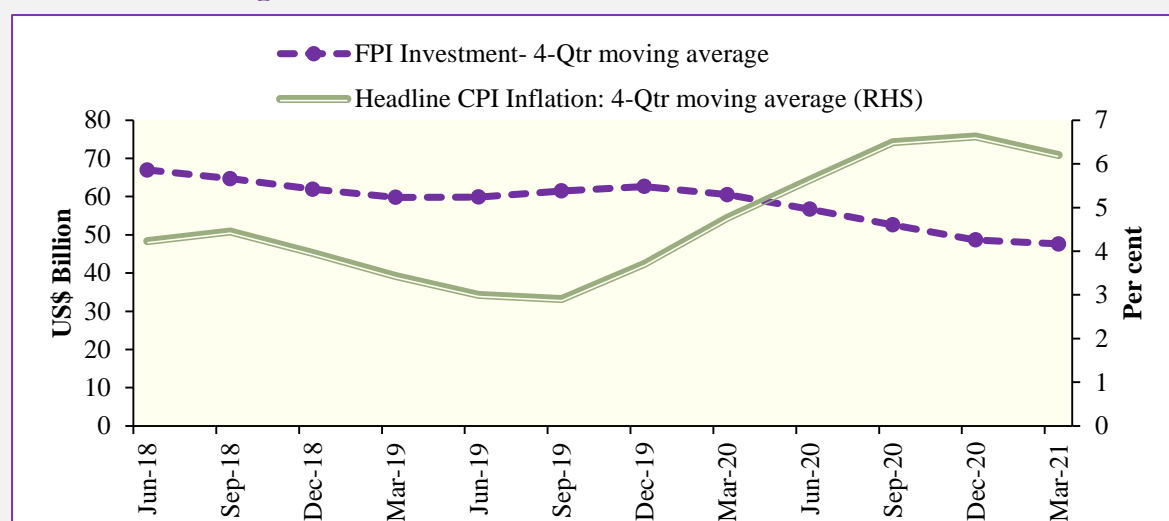
**Figure B3.3: FPI Investments in G-sec and Corporate Bonds: Stock and Share**



Source: Status Report on External Debt: Various Issues, Ministry of Finance

Typically, debt investments are sensitive to inflation. Rising inflation could result in spikes in yields leading to capital losses, as bond yields and prices are inversely related, apart from eroding the real value of fixed returns on debt. Thus, sustained increase in inflation could potentially discourage debt investments as is supported by Figure B 3.4. The 4-quarter moving average of stock of FPI investment and 4-quarter moving average of headline CPI inflation move in the opposite direction and the correlation coefficient between them was as high as -0.77. Thus, maintaining stable inflation on an enduring basis is among the prerequisites for encouraging FPI investment in Indian debt market.

**Figure B3.4: FPI Investment and Headline CPI Inflation**



Source: RBI and Ministry of Finance

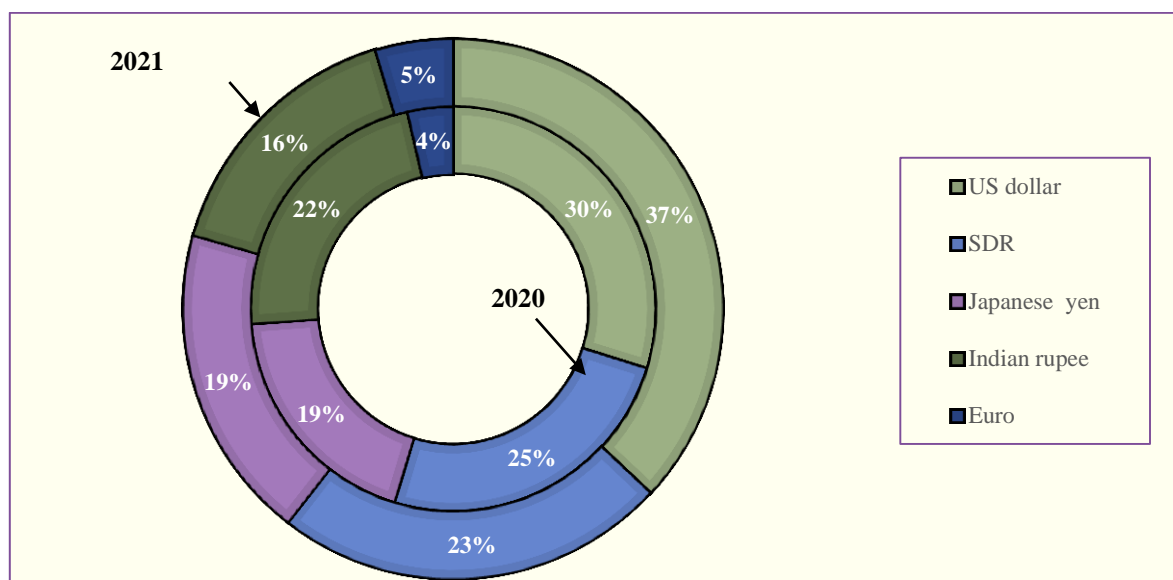
3.16 The borrowings from IMF in SDR grew moderately by 3.8 per cent to US\$ 5.6 billion as at end-March 2021 from US\$ 5.4 billion a year ago. Defence debt continues to be a miniscule part of the total OGD, whose share has decreased from 6.5 per cent as at end-March 2012 to 3.5 per cent as at end-March 2021. Short term OGD forms a negligible share (1.2 per cent) of overall OGD.

### 3.3 CURRENCY COMPOSITION OF SOVEREIGN EXTERNAL DEBT

3.17 US dollar denominated debt continued to be the largest component of India's sovereign external debt, with a share of 37.0 per cent as at end-March 2021, followed by SDR (23.5 per cent), Japanese yen (18.9 per cent), the Indian rupee (15.9 per cent) and the Euro (4.6 per cent). There is a considerable rise in the share of US dollar denominated debt from 29.8 per cent as at end-March 2020 to 37.0 per cent as at end-March, 2021 with a corresponding fall in the share of rupee denominated debt from 22.5 per cent to 15.9 per cent.

This reflects a decline in FPI investment in G-Sec in the said period (Figure 3.8). Japanese yen was the third largest currency in SED as at end-March 2021.

**Figure 3.8: Currency Composition of Sovereign External debt as at end-March 2021 and 2020**



Source: Based on data in Annexure XVIII of this Status Report

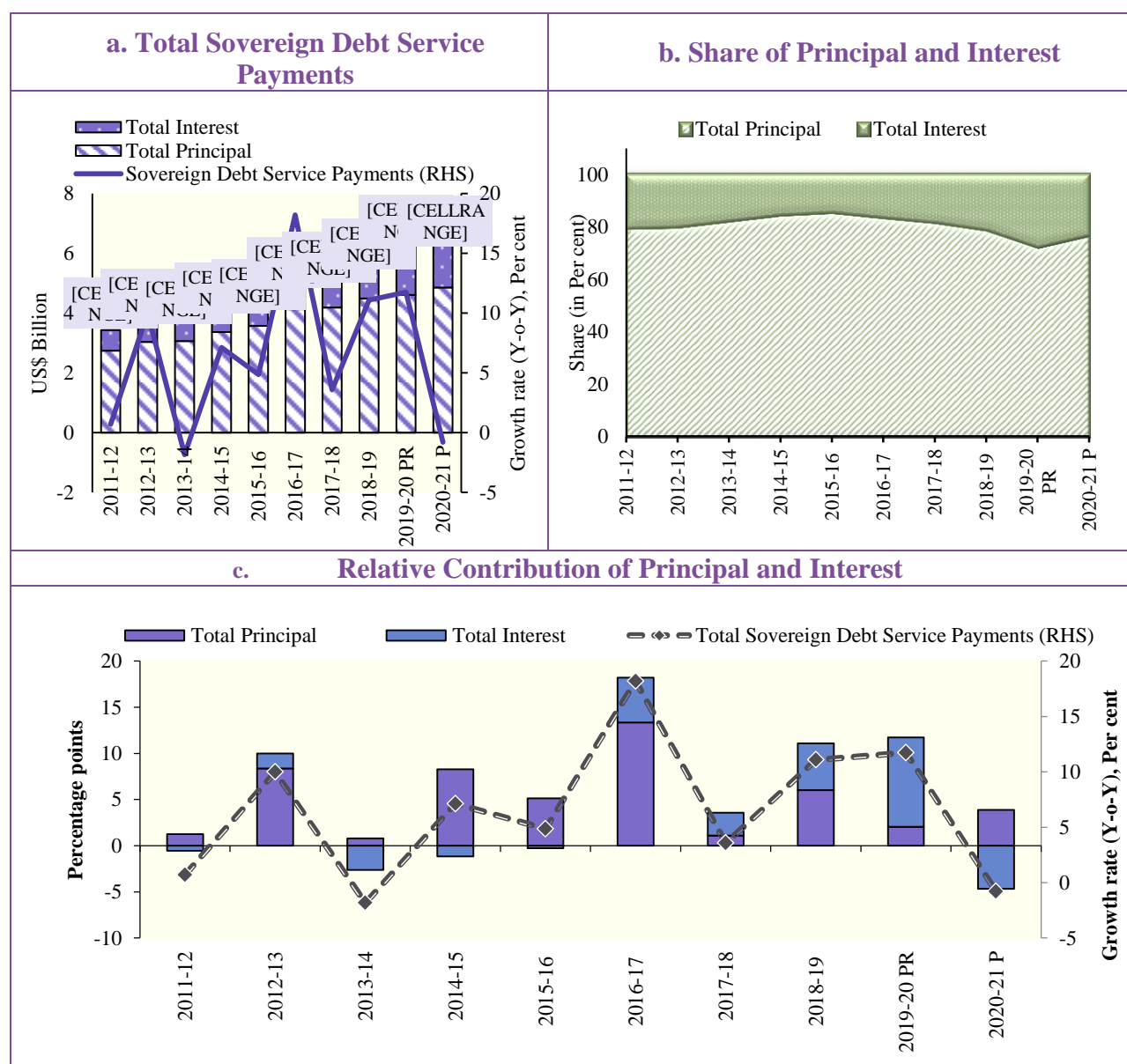
3.18 It can be seen from Annexure XVIII that Indian rupee (INR) started gaining dominance in currency composition since 2014 when its share rose from 16.3 per cent as at end-March 2014 to 33.7 per cent as at end-March 2018, subsequent to which the share began to fall. This was due to the corresponding decline in FII investment in government securities (which are denominated in INR). Further, the share of SDR in India's sovereign external debt dropped steadily since end-March 2015, while Japanese Yen witnessed consistent rise in line with Japan being India's largest creditor. Euro denominated debt also rose since end-March 2017 (Annex XVIII).

### 3.4 SOVEREIGN EXTERNAL DEBT SERVICE PAYMENTS

3.19 Total SED service payments during 2020-21 amounting to US\$ 6.3 billion, witnessed a slight contraction of 0.8 per cent over the previous year (Figure 3.9a). The decline in sovereign debt service payments is contributed by fall in interest payments (Figure 3.9c). The time series data of sovereign debt service payments is presented in Annex XIX.

3.20 As can be seen from Figure 3.9b, principal repayments – constitute the bulk of sovereign external debt servicing – amounted to US\$ 4.9 billion during 2020-21, while the rest (US\$ 1.4 billion) is formed by interest payments during the same period. The absolute amount of principal repayments saw consistent increase over the years, however, the share of principal payments in the total sovereign external debt service payments declined beyond 2016-17. On the other hand, the interest payments' share rose steadily since then (Figure 3.9b).

**Figure 3.9: Sovereign External Debt Service Payments**

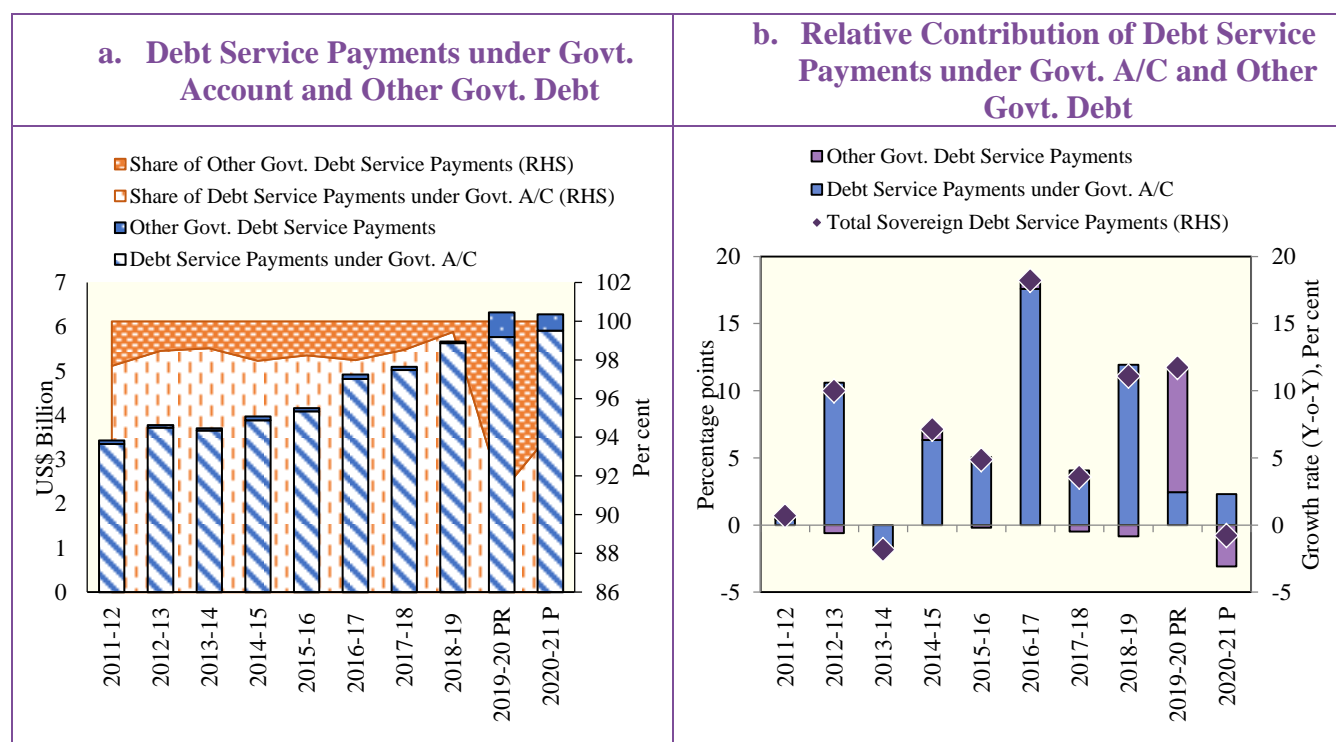


Source: Based on data of Annex XIX of the Status Report

### 3.4.1 Composition of Sovereign External Debt Service Payments

3.21 Reflecting the composition of stock of sovereign external debt, the sovereign debt service payments include debt service payments under Government Account (under External Assistance Programme) and OGD service payments, with the former accounting for the largest share in total.

**Figure 3.10: Composition of Sovereign External Debt Service Payments**



Source: Based on data of Annex XIX of the Status Report

Note: The sudden jump in the share of OGD since 2019-20 is due to the inclusion of coverage of interest payments on G-Sec in debt service payments. Data till 2018-19 didn't include such interest payments

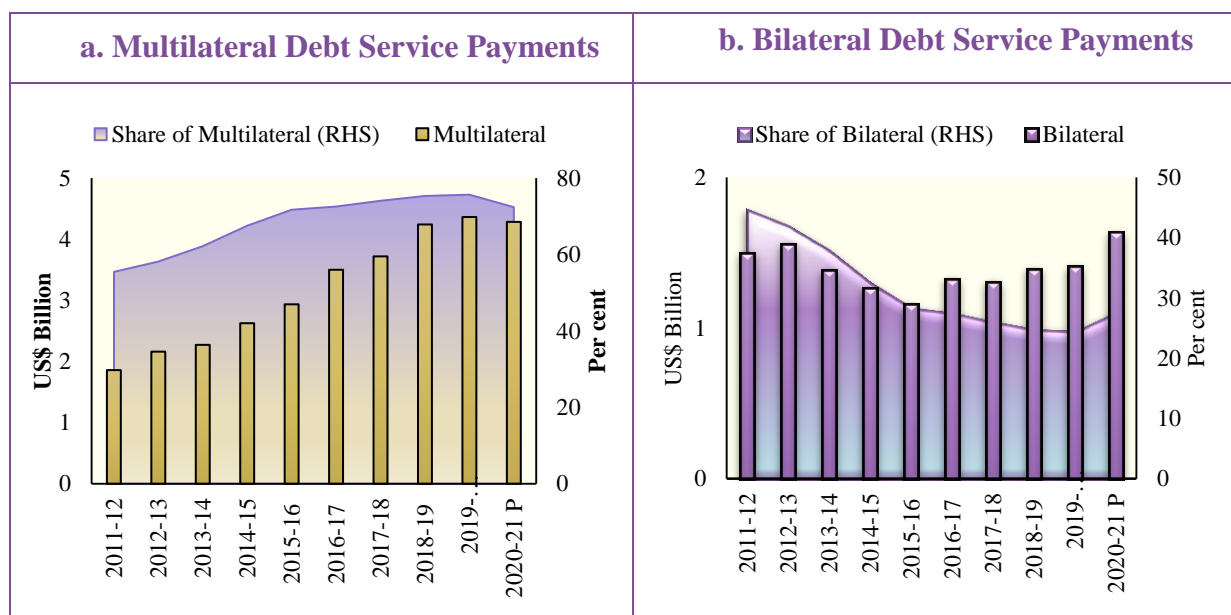
3.22 Debt service payments under Government Account grew by 2.5 per cent to US\$ 5.9 billion in 2020-21 from US\$ 5.8 billion during the previous year, increasing its share in total sovereign debt service payments to 94.2 per cent from 91.2 per cent in the said period. On the other hand, Other Government debt service payments contracted sharply by 35 per cent from US\$ 0.6 billion in 2019-20 to US\$ 0.4 billion in 2020-21, reducing the share from 8.8 per cent to 5.8 per cent (Figure 3.10).<sup>8</sup>

<sup>8</sup> As indicated in Status Report 2019-20, due to unavailability of data, sovereign external debt service payments presented in Annex XIX did not include interest payments on G-Sec till 2018-19. As such details became

### 3.4.2 Composition of Debt Service Payments under Government account

3.23 As far as composition of debt service payments under Government account is concerned, it is in line with the composition of debt under external assistance. As noted earlier, multilateral debt constitutes the bulk of sovereign external debt on Government account under external assistance programme. As a corollary, the multilateral debt service payments form the major chunk of the total debt service payments under Government account. During 2020-21, debt service payments to multilateral institutions totalled US\$ 4.3 billion declining by 1.8 per cent from the previous year. As a result, share of such debt service payments in the total debt service payments on government account decreased to 72.4 per cent from 75.6 per cent in the previous year (Figure 3.11a).

**Figure 3.11: Composition of Debt Service Payments under Government Account**



Source: Based on data of Annex XIX of the Status Report

3.24 The primary multilateral institutions that accounted for sizeable proportion of multilateral debt service payments (under Government Account) in 2020-21 are IDA at 44.6 percent, followed by IBRD at 28.1 per cent and ADB at 25.6 per cent. The external debt service payments under Government account over a longer time series are presented in Annex XXI.

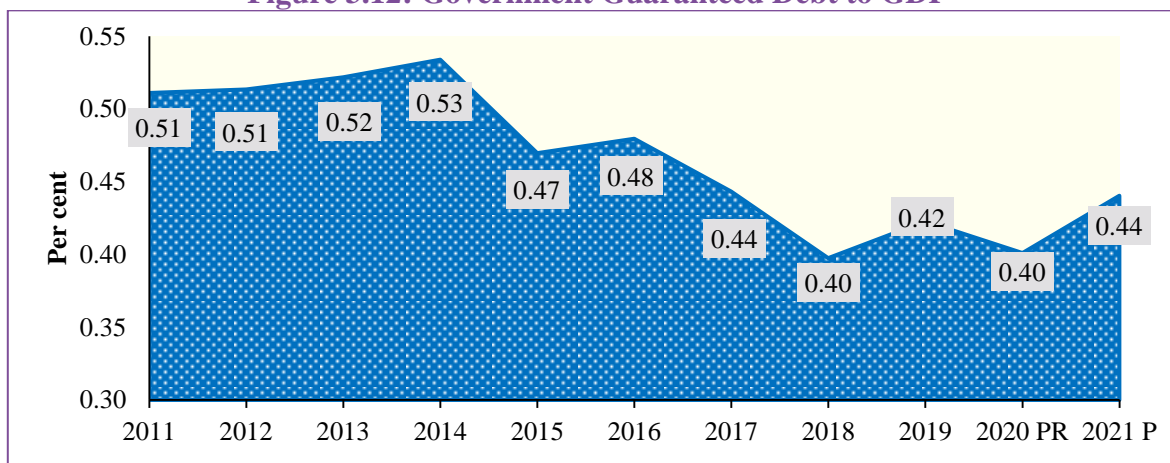
available for 2019-20, it is henceforth included under 'Interest' of "Other Government Debt Service Payments" in Annex XIX.

3.25 The debt service payments to bilateral sources grew by 16 per cent to US\$ 1.6 billion during 2020-21 from US\$ 1.4 billion in previous year. In terms of share, it rose to 27.6 per cent from 24.4 in the previous year. While the absolute amount of debt service payments to bilateral agencies saw gradual rise, its share has consistently dropped since 2014-15, before increasing in 2020-21 (Figure 3.11b). Within bilateral debt service payments, Japan, Germany, and Russian Federation constitute the major recipients of bilateral debt service payments under Government Account, together accounting for 94.5 per cent of total bilateral debt service payments in 2020-21 (Annex XXI).

### 3.5 CONTINGENT LIABILITY

3.26 Contingent liabilities refer to such legal obligations that may fall on the Government if the borrower defaults on the payment of principal and/ or interest of a credit. Sovereign external contingent liabilities relate to guarantees provided by the Government of India for specific loans raised by the non-Government sector from non-residents. The magnitude of contingent liabilities is regularly monitored from the point of view of their implications for overall macroeconomic and financial stability.

**Figure 3.12: Government Guaranteed Debt to GDP**



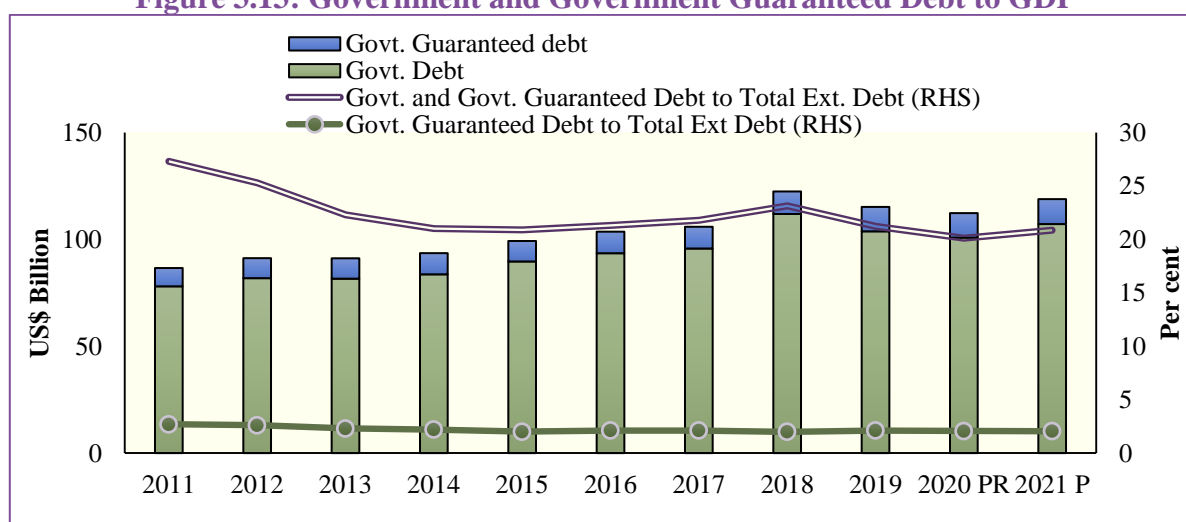
Source: Based on data of Annex XX of the Status Report and MoSPI

3.27 The Central Government extends guarantees mainly on loans from multilateral/bilateral agencies to various public sector undertakings/financial institutions. In accordance with the “Fiscal Responsibility and Budget Management (FRBM) Rules 2004”, there is an overall cap of 0.5 per cent of GDP in any financial year on the quantum of Central

Government guarantees. Figure 3.12 shows that the ratio of government guaranteed debt to GDP has remained within the indicated ceiling.

3.28 The Government guaranteed debt grew by 1.8 per cent to US\$ 11.7 billion as at end-March 2021 from US\$ 11.5 billion a year ago, accounting for 2.0 per cent of the total external debt. Its ratio to total external debt has remained range bound between 2.0 and 2.3 per cent during end-March 2013 to end-March 2021 (Figure 3.13). The data on Central Government guarantees on External debt may be seen at Annex XX. As at end-March 2021, the bulk of non-Government debt guaranteed by the Government was in favour of public sector debt with a share of 70.0 per cent.

**Figure 3.13: Government and Government Guaranteed Debt to GDP**



Source: Based on data of Annex XX of the Status Report

3.29 The Government and Government guaranteed debt rose by 5.8 per cent to US\$ 118.9 billion from US\$ 112.3 billion a year ago, due to higher debt under external assistance, which as explained earlier, increased due to higher disbursement of COVID-19 loans during 2020-21 from multilateral agencies. Consequently, the share Government and Government guaranteed debt in total external debt increased to 20.9 per cent as at end-March 2021, from 20.1 per cent a year ago (Figure 3.13).

## 3.6 PROJECTIONS OF SOVEREIGN EXTERNAL DEBT SERVICE PAYMENTS

3.30 The projections related to the debt service payments on government (sovereign) external debt are presented in Annex XXII. In the past, due to data unavailability, the

projections were made relating to debt service payments under Government Account only. However, from the previous edition of the Report, the data coverage has been enhanced beyond the government account. Accordingly, the projections discussed in this section include those relating to debt on government account and FII investment in G-Sec, which is the biggest constituent of OGD.

3.31 The total sovereign external debt service payments during the current year 2021-22 are projected to increase to US\$ 8.5 billion, comprising principal repayments of US\$ 5.5 billion and interest payments of US\$ 3.1 billion. They are estimated to go up further in 2022-23 and 2023-24 to US\$ 9.5 and US\$ 9.9 respectively, with the corresponding rise in principal repayments (Table 3.1).

**Table 3.1: Projections of Sovereign External Debt Service Payments: Creditor-wise (US\$ billion)**

Component	2021-22	2022-23	2023-24	Beyond 2023-24
<b>Multilateral</b>	<b>5.2</b>	<b>5.9</b>	<b>6.4</b>	<b>58.0</b>
<i>Multilateral share in total (%)</i>	60.6	62.3	64.7	65.3
Principal	3.9	4.4	4.9	44.5
Interest	1.3	1.5	1.6	13.5
<b>Bilateral</b>	<b>2.1</b>	<b>2.4</b>	<b>2.5</b>	<b>25.7</b>
<i>Bilateral share in total (%)</i>	25.0	25.8	25.1	29.0
Principal	1.6	2.0	2.1	21.2
Interest	0.5	0.4	0.4	4.6
<b>Other Govt Debt (OGD) *</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>5.1</b>
<i>OGD share in total (%)</i>	14.5	11.8	10.3	5.7
Interest	1.2	1.1	1.0	5.1
<b>Total Sovereign Debt Service Payments</b>	<b>8.5</b>	<b>9.5</b>	<b>9.9</b>	<b>88.8</b>
Principal	5.5	6.4	6.9	65.7
Interest	3.1	3.0	3.0	23.1

Source: CAAA and CCIL


\* Converted into US\$ million with the exchange rate as on 31st March 2021.

Note: 1. Bilateral includes export credit component of bilateral credit and civilian rupee debt.

2. Other Govt. Debt includes FPI investment of Govt. Securities and State Development Loans.

3. Debt Service Payment with regard to T-bills, SDRs and Defence Debt are not included in this table.

4. The projections do not include debt service arising out of Committed Undisbursed Balance (CUB) and fresh borrowings.



3.32 The expected rise in sovereign external debt service payments is mainly accounted for by the debt service payments to multilateral institutions, constituting approximately 60.6 per cent of the total sovereign external debt service payments in 2021-22, followed by bilateral debt service payments (25 per cent) and interest payments to G-Sec holders of FIIs (14.5 per cent). This is in line with the fact that the debt from multilateral sources account for the bulk of sovereign external debt. Further, it may be seen from Annex XXII that the debt service payments to multilateral agencies would peak in 2025-26 and taper off thereafter. However, debt service payments to bilateral agencies would continue to witness gradual rise. The debt service payments towards servicing G-Sec FII-holders would continue to taper off throughout all the years reflecting lower interest payments in the future. Therefore, in line with multilateral debt service projections, the total debt service payments on sovereign external debt are projected to peak in 2025-26 and taper off thereafter.

3.33 In sum, sovereign external debt as at end-March 2021 has expanded due to higher disbursement of COVID-19 loans during 2020-21 from multilateral agencies that led to increase in stock of multilateral borrowings by US\$ 9.3 billion. However, there was a slight contraction in total government debt service payments, contributed by fall in interest payments in 2020-21. They are projected to go up and peak in 2025-26 and taper off thereafter.

## Chapter 4 India's External Debt Service Payments

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*India's gross external debt service payments went up to US\$ 49.4 billion in 2020-21 from US\$ 42.1 billion during the previous year, recording an increase of 17.3 per cent. Principal repayments, at US\$ 34.0 billion, registered a huge jump from US\$ 23.5 billion during 2019-20. Interest payments, on the other hand, went down to US\$ 15.4 billion from US\$ 18.6 billion in the previous year. Principal repayments accounted for 68.8 per cent of India's total external debt service payments during the year under review, while the rest (31.2 per cent) was on account of interest payments. The surge in principal repayments during 2020-21 was mainly on account of debt restructuring/ debt reorganization undertaken by the leading Indian non-financial corporation(s). The debt service ratio during 2020-21 accordingly rose to 8.2 per cent from 6.6 per cent during the previous year due to fall in current receipts and increase in debt service payments. During 2020-21, increase in gross external debt service payments was primarily due to an increase in debt service payments under ECBs. Debt service payments towards commercial borrowings (CBs), at US\$ 37.8 billion during 2019-20, accounted for the largest share of 76.5 per cent of total external debt service payments. The external debt service payments are projected to moderate to US\$ 47.5 billion in 2021-22 and then decrease to US\$ 30.6 billion in 2022-23. The debt service payment obligations arising out of the stock of external debt as at end-March 2021 are projected to be moderate and peak in 2024-25.*

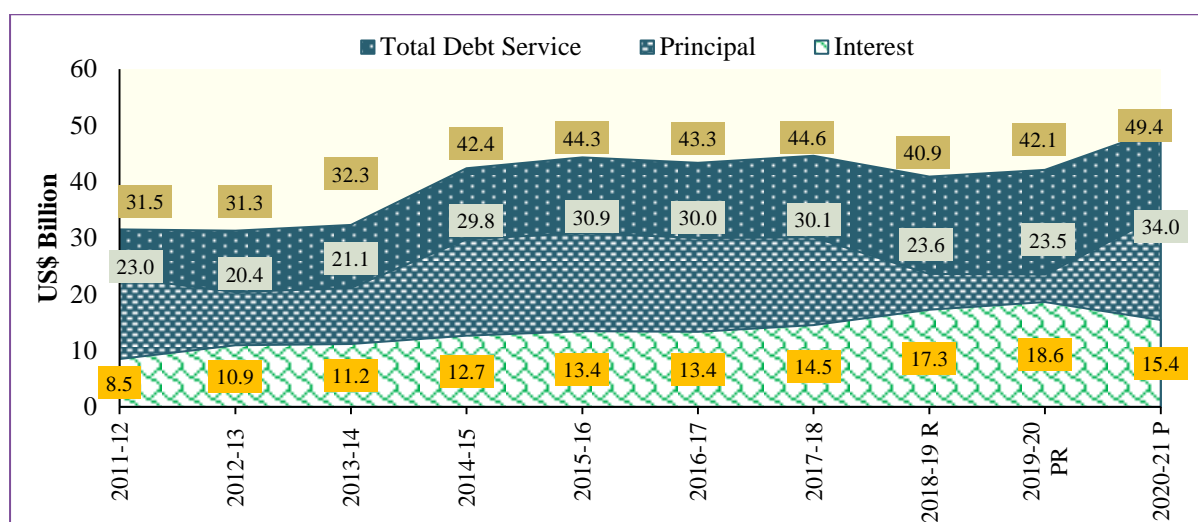
### 4.1 INTRODUCTION

4.2 This chapter examines the India's external debt service payments, terms of borrowings and external debt service payment projections. Debt service ratio is measured by the proportion of gross debt service payments (both principal and interest) to external current receipts. It indicates the extent of pre-emption of forex resources for the purposes of repayment of principal and interest on the stock of foreign debt. A higher ratio means larger pre-emption with potential adverse implications for the sovereign rating and external sector stability. Hence, collection, compilation and monitoring of external debt service payments are important for an effective external debt management. Further, analysis of projection of external debt service payments is useful from the stand point of future cash flow management.

## 4.2 INDIA'S EXTERNAL DEBT SERVICE PAYMENTS

4.3 Gross external debt service payments went up to US\$ 49.4 billion during 2020-21 from US\$ 42.1 billion during the previous year, recording an increase of 17.3 per cent. Principal repayments, at US\$ 34.0 billion, registered a huge jump from US\$ 23.5 billion during 2019-20. Interest payments, on the other hand, went down to US\$ 15.4 billion from US\$ 18.6 billion in the previous year. Principal repayments accounted for 68.8 per cent in India's total external debt service payments during the year under review, while the rest (31.2 per cent) was on account of interest payments (Figure 4.1). The surge in debt service payments during 2020-21 is mainly on account of debt restructuring/debt reorganization undertaken by the leading Indian non-financial corporation(s).<sup>9</sup>

**Figure 4.1: External Debt Service Payments: Total, Principal and Interest**



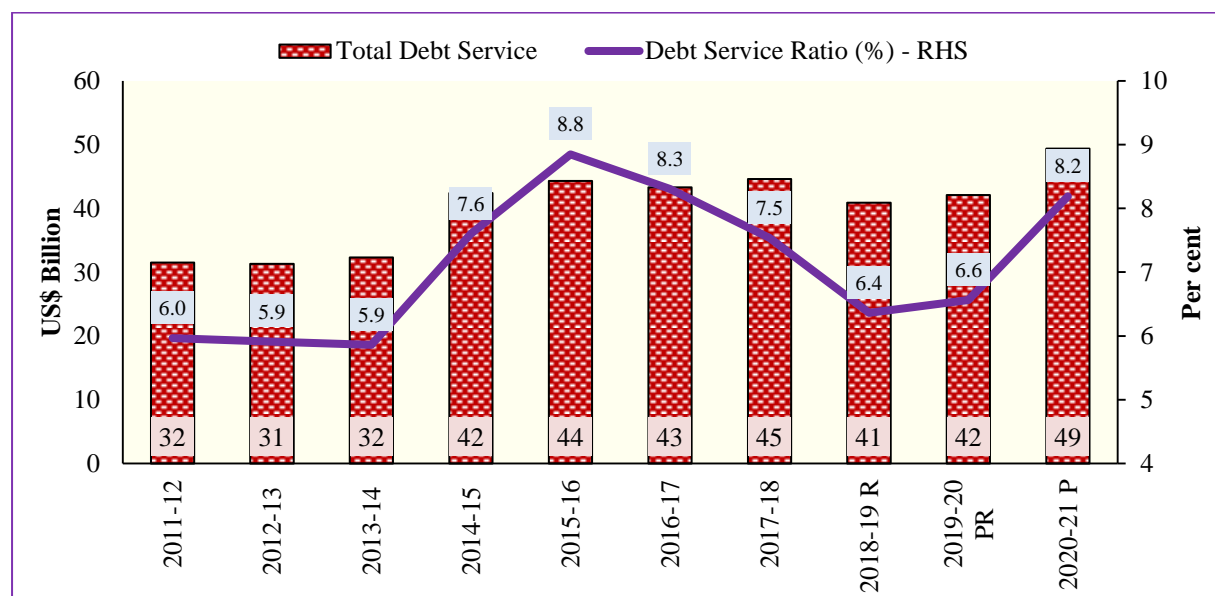
Source: RBI

4.4 The debt service ratio during 2020-21 accordingly rose to 8.2 per cent from 6.6 per cent during the previous year due to a significant fall in current receipts from US\$ 642.0 billion in 2019-20 to US\$ 603.4 billion during 2020-21 coupled with an increase in debt

<sup>9</sup> This was achieved using a combination of cost cuts, asset sales, fund raising as interest rates fell to record lows. The various conventional, unconventional and the new kinds of measures which RBI has undertaken, such as G-SAP, TLTRO, etc. together with appropriate communication and signals have ensured the lowest borrowing cost for the government in the last 16 years in 2020-21. The G-Sec yields act as a benchmark for the private sector borrowing. Corporates and businesses were able to raise cheaper funds by way of corporate bonds and undertake deleveraging.

service payments, as mentioned earlier, from US\$ 42.1 billion to US\$ 49.4 billion during the same period. Figure 4.2 below presents the time series data on external debt service payments and the Debt Service Ratio (DSR).

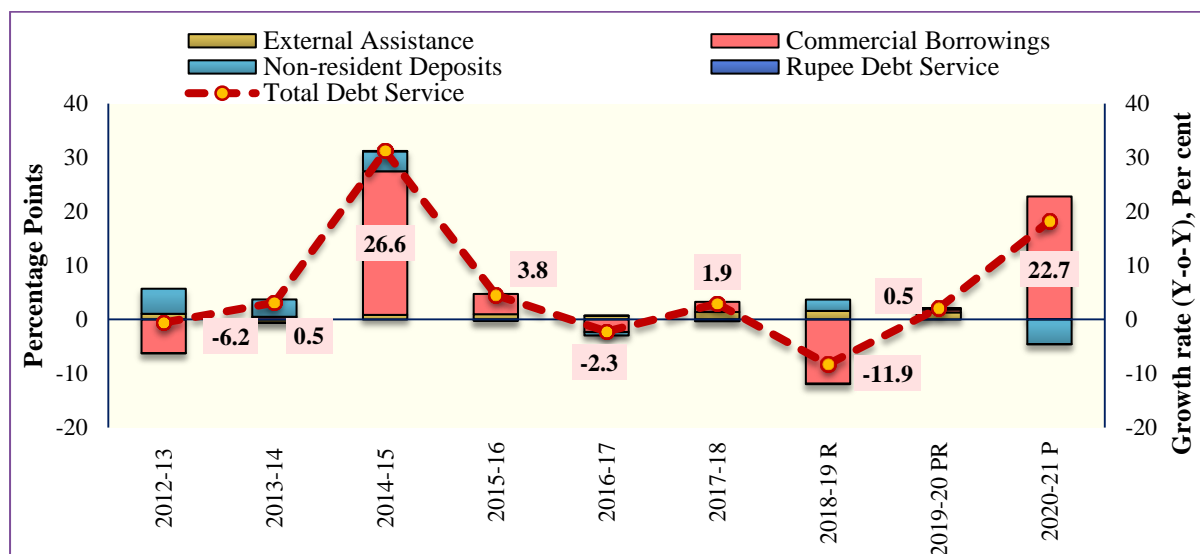
**Figure 4.2: External Debt Service Payments and Debt Service Ratio**



Source: RBI and CAAA.

4.5 During 2020-21, increase in gross external debt service payments was due to an increase in debt service payments under ECBs. The incremental increase in the overall external debt service payments during 2020-21 from the previous year at US\$ 7.3 billion is lower than that due to ECBs (US\$ 9.1 billion) as there was a contraction of interest outgo on NRI deposits during 2020-21 (Figure 4.3). These trends discernible in a pandemic year are in contract to those in the previous year i.e. 2019-20 when debt service payments under external assistance were dominant (Annex XI).

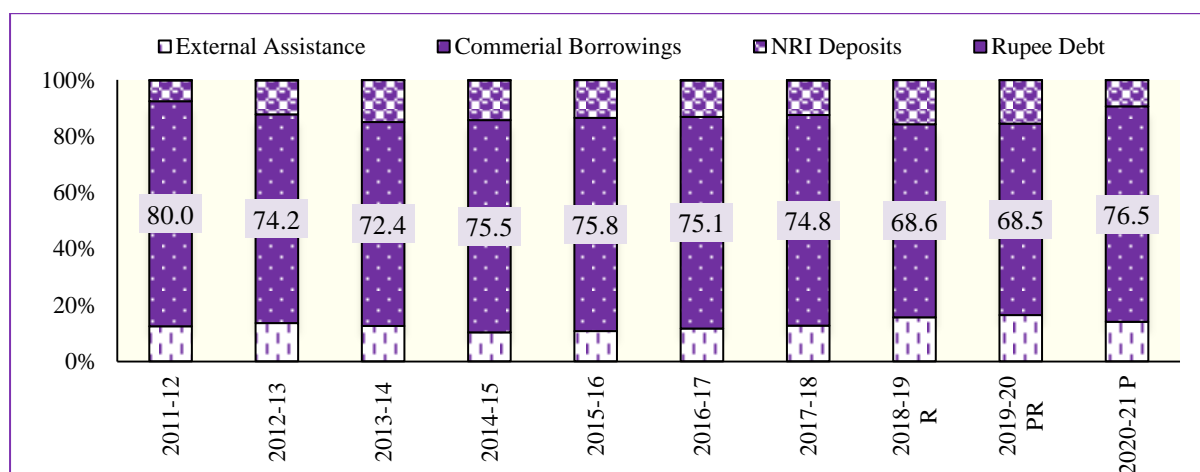
**Figure 4.3: Relative Contribution of Various Sources of External Debt to Total Debt Service Payments**



Source: RBI

4.6 Debt service payments towards commercial borrowings (CBs), at US\$ 37.8 billion during 2020-21, account for the largest share of 76.5 per cent of total external debt service payments, followed by external assistance at US\$ 6.9 billion (14.1 per cent) and NRI deposits at US\$ 4.6 billion (9.3 per cent) (Figure 4.4).<sup>10</sup>

**Figure 4.4: Composition of India's External Debt Service Payments**



Source: RBI

<sup>10</sup> Commercial borrowings include borrowings through multilateral and bilateral sources, export credit, commercial loans, securitized instruments, FCCB and IFC and FPI debt Investments (in G-Sec plus corporate bonds) and banks' overseas borrowings or securitized borrowings of commercial banks.

4.7 The dominance of external debt service payments arising out of commercial borrowings is reflective of the conscious policy choice to encourage such borrowings especially after 2005. Accordingly, commercial borrowings, especially by non-financial corporations, constitute the largest chunk of total stock of external debt and non-financial corporations are the biggest debtor. The data on creditor-wise debt service payments are presented in Annex XII. As can be seen therein, external debt service payments to the commercial creditors at US\$ 35.5 billion, constituting 72 per cent of the total, are the largest followed by those to multilateral lenders at US\$ 5.3 billion (10.8 per cent) and NRI depositors at US\$ 4.6 billion (9.3 per cent).<sup>11</sup>

4.8 The principal repayments for short-term debt are not included in total external debt service payments, which is in line with the best international practice, because trade credit, which constitutes the major chunk of the short-term credit, can be easily rolled over. Net disbursement (gross disbursements minus principal repayments) on short-term debt is a useful indicator of roll-over risk in the event of external shocks. Table 4.1 below presents the relevant data. As is evident from the said Table, net disbursements were negative during years of import contraction. As mentioned in Chapter 2, merchandise imports during 2020-21 contracted by 16.6 per cent and as a result, the net disbursements were negative (US\$ 4.1 billion). Evidently, access to trade credit was in sync with the import performance over the years, indicating thereby that roll-over risk of short-term trade credit for India is muted.

**Table 4:1: Disbursements and Principal Repayments under Short-term Debt**

(US\$ Billion)			
Year	Disbursements	Principal Repayments	Net
<b>2011-12</b>	102.8	96.1	6.7
<b>2012-13</b>	122.7	101.1	21.7
<b>2013-14</b>	100.1	105.2	-5.0
<b>2014-15</b>	89.7	89.8	-0.1
<b>2015-16</b>	90.0	91.7	-1.6
<b>2016-17</b>	91.5	85.0	6.5

<sup>11</sup> Commercial lenders through commercial loans, securitized instruments, FCCB and IFC and FPI debt Investments (in G-Sec plus corporate bonds) and banks' overseas borrowings or securitized borrowings of commercial banks.

<b>2017-18</b>	100.5	86.6	13.9
<b>2018-19</b>	43.3	41.3	2.0
<b>2019-20</b>	38.8	39.8	-1.0
<b>2020-21</b>	41.5	37.4	-4.1

Source: RBI.

### 4.3 TERMS OF BORROWINGS

4.9 This section examines the terms of borrowings of India's external debt involving implicit interest rate on various sources of debt and average terms of new commitments/loans.

#### 4.3.1 Implicit Interest Rate

4.10 Implicit interest rate is calculated by taking interest payments during the year as a percentage of the outstanding debt at the end of the previous year. Implied rate of interest throws light on comparative cost of debt across sources. Table 4.2 presents implicit interest rate on external assistance, commercial borrowings and NRI deposits – the three leading sources of India's external debt. The implied rate of interest on the total external debt for 2020-21 is estimated at 3.6 per cent. Among the sources of debt, CBs is the costliest source of debt with an implicit interest rate of 4.3 per cent, followed by NRI deposits (3.5 per cent) and external assistance (1.8 per cent). In other words, the cost of serving US\$ 100 in the form of CBs, NRI deposits and external assistance during 2020-21 was US\$ 4.3, US\$ 3.5 and US\$ 1.8, respectively.

**Table 4.2: Implicit Interest Rates on India's External Debt: Source-Wise**

(Per cent)

S. No.	Source	2013-14	2014-15	2015-16	2016-17	2017-18 R	2018-19 PR	2019-20 P	2020-21
1	External Assistance <sup>a</sup>	1.1	1.1	1.1	1.3	1.6	1.9	2.1	1.8
2	Commercial Borrowings	4.1	4.0	3.8	3.8	4.6	4.7	5.2	4.3
3	Non-resident Deposits	6.8	5.8	5.1	4.4	4.7	5.1	5.0	3.5
	<b>Total Debt Service</b>	2.7	2.8	2.8	2.8	3.1	3.3	3.4	3.6

a: Inclusive of non-government account figures supplied by the Office of Controller of Aid Accounts & Audit, DEA, Ministry of Finance.

Source: RBI and CAAA.

### 4.3.2 Average Terms of New Commitments

4.11 World Bank compiles terms of new commitments/loans contracted – both from official and private sources – during any given year. Terms include interest rate, maturity and grace period. Such data on the average terms of new commitments to India shows that in terms of maturity, it is still markedly favourable to avail credit from official creditors than private creditors. Among the new loans contracted during 2019, loans from official creditors had an average much higher maturity period of 23 years as compared with 5.7 years for loans from the private sources. Similarly, on an average, interest rate charged by the official creditors for the new loans contracted in 2019 were lower at 2.7 per cent than 3.7 per cent charged by the private creditors. On the other hand, loans from private creditors during 2019 had, on average, a marginally longer grace period of 5.6 years than 5.4 years for the official creditors (Table 4.3).

**Table 4.3: Average Terms of New Commitment for India**

Year	Official Creditors			Private Creditors		
	Interest (Per Cent)	Maturity (Years)	Grace Period (Years)	Interest (Per Cent)	Maturity (Years)	Grace Period (Years)
1	2	3	4	5	6	7
2007	3.4	24.9	6.3	6.7	10.2	3.8
2008	2.0	26.4	5.4	4.4	8.0	2.4
2009	1.0	27.6	6.5	3.6	3.5	2.5
2010	0.8	30.8	8.4	2.3	6.5	3.6
2011	1.0	25.1	5.0	2.9	7.6	5.8
2012	2.2	22.6	6.1	3.6	6.9	6.2
2013	1.1	28.5	7.4	2.3	5.2	4.1
2014	1.9	21.2	5.7	2.9	6.4	5.0
2015	1.5	21.9	5.4	2.2	5.6	5.1
2016	1.5	24.9	7.5	2.8	7.1	6.4
2017	1.7	22.6	6.0	2.8	7.2	6.9
2018	1.9	28.3	8.0	2.9	5.3	5.2
2019	2.7	22.9	5.4	3.7	5.7	5.6

Source: International Debt Statistics 2021, World Bank.

## 4.4 PROJECTIONS OF EXTERNAL DEBT SERVICE PAYMENTS

4.12 Projections of external debt service payments are presented in Table 4.4 below. The Status Report on External Debt for 2019-20 showcased additional data on projections of debt service payments arising out of ECBs and FPI investments in G-Sec, besides arising out of debt on the government account, consisting of borrowings from multilateral and bilateral sources. The current report carries forward this additional coverage.

**Table 4:4: Projections of External Debt Service Payments: Creditor-Wise**

(US\$ Billion)

Component	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029 Onwards
1	2	3	4	5	6	7	8	9	10
Multilateral #	6.8	7.4	7.8	9.1	8.8	8.2	7.7	7.0	27.8
Principal	5.1	5.6	6.0	7.3	7.1	6.7	6.3	5.8	19.4
Interest	1.7	1.8	1.8	1.8	1.8	1.5	1.4	1.3	8.4
Bilateral #	4.2	3.4	3.2	3.3	3.2	3.1	3.0	3.1	16.3
Principal	3.3	2.9	2.7	2.8	2.7	2.6	2.6	2.8	12.7
Interest	0.8	0.5	0.5	0.5	0.5	0.4	0.4	0.4	3.6
Export Credit	2.5	0.6	0.3	0.3	0.3	0.1	0.1	0.1	0.1
Principal	2.5	0.6	0.3	0.2	0.3	0.1	0.1	0.1	0.1
Interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Borrowings*:	35.9	28.2	31.3	30.0	16.2	9.8	12.0	5.1	23.5
Principal	29.3	22.5	26.6	26.2	13.6	7.7	10.4	3.9	18.2
Interest	6.6	5.7	4.7	3.8	2.7	2.1	1.6	1.2	5.3
Total Debt Service:	49.4	39.6	42.6	42.7	28.6	21.2	22.8	15.4	67.7
Principal	40.2	31.5	35.6	36.6	23.6	17.1	19.4	12.6	50.4
Interest	9.2	8.1	7.0	6.1	4.9	4.0	3.4	2.8	17.3

Source: RBI, CAAA and CCIL.

# The projections are based on original amortization schedule as per loan agreements. The actuals/ projections will vary based on the debt servicing by Non-Govt. Entities (PSUs).

\* Includes commercial loans, securitized instruments, FCCB, loans from IFC and FPI investment in G-Sec.

FPI investment in G-Sec converted into US \$ with the exchange rate as on 31st March 2021.

Bilateral component also includes export credit component of bilateral credit and civilian rupee debt.

Debt service payments arising out of SDRs, FPI investments in corporate debt, securitised borrowings by banks, NRI deposit, short-term debt and defence debt, not included.

Projections are based on the debt outstanding as at end-March 2021.

4.13 The external debt service payments during the current year (2021-22) are projected to moderate to US\$ 49.4 billion, comprising principal repayments of US\$ 40.2 billion and interest payments of US\$ 9.2 billion.

4.14 The external debt service payments for the next year (2022-23) are estimated to be lower by US\$ 9.8 billion at US\$ 39.6 billion with substantially lower principal repayments of US\$ 31.5 billion and interest payments of US\$ 8.1 billion. The estimated drop in external debt service payments during 2021-22 reflects the lower principal repayments of commercial borrowings.

4.15 India's external debt service payments are projected to average about US\$ 10 billion per quarter till 2024-25, reaching a peak then and tapering off thereafter. In comparison, during the previous 12 quarters, the quarterly accretion to India's foreign exchange reserves (on the BoP) averaged US\$ 19 billion. Thus, repayment obligations arising out of the stock of external debt as at end-March 2021 would continue to be moderate and reach a peak in 2024-25. This testifies to the prudent management of external debt by a dynamically calibrated policy framework.

4.16 To recap, this Chapter documents that the external debt service payments during the year under review were higher in relation to the current earnings apparently due to restructuring of ECBs by non-financial corporations. The projections of debt service payments arising out of the stock of external debt as at end-March 2021 into the future indicate that such payments would peak in 2024-25 with a quarterly average outgo that can be comfortably managed given the net average quarterly forex reserve accretions in the recent past. The repayment obligations are estimated to taper off beyond 2024-25.

## Chapter 5 India's External Debt Position: A Cross-Country Perspective

*In this Chapter, India's external debt position is presented in a cross-country perspective. The stock of India's external debt is modest. The total external debt of the world as at end-December 2020 was US\$ 94.5 trillion, while that of India was estimated at US\$ 563 billion occupying 24<sup>th</sup> position globally. Among the Emerging Market and Developing Economies (EMDEs), India, as at end-December 2020, was the third largest externally indebted country following China and Brazil. During 2020, the external debt position of low-income countries worsened due to the covid-19 pandemic, necessitating debt relief coordinated by the G20 countries. In terms of various debt vulnerability indicators, India's sustainability was better than the Low-and Middle-Income Countries (LMICs) as a group and vis-à-vis many of them individually. India's external debt position among the LMICs based on various sustainability indicators improves further in terms of the present value arrived at by discounting the nominal value of all future debt service payments.*

5.1 It is imperative that external debt of a country is seen in an international perspective both with respect to the advanced economies (AEs) and the emerging market and developing economies (EMDEs). Global data on external debt is available from the Quarterly External Debt Estimates (QEDS) and the International Debt Statistics of the World Bank<sup>12</sup>.

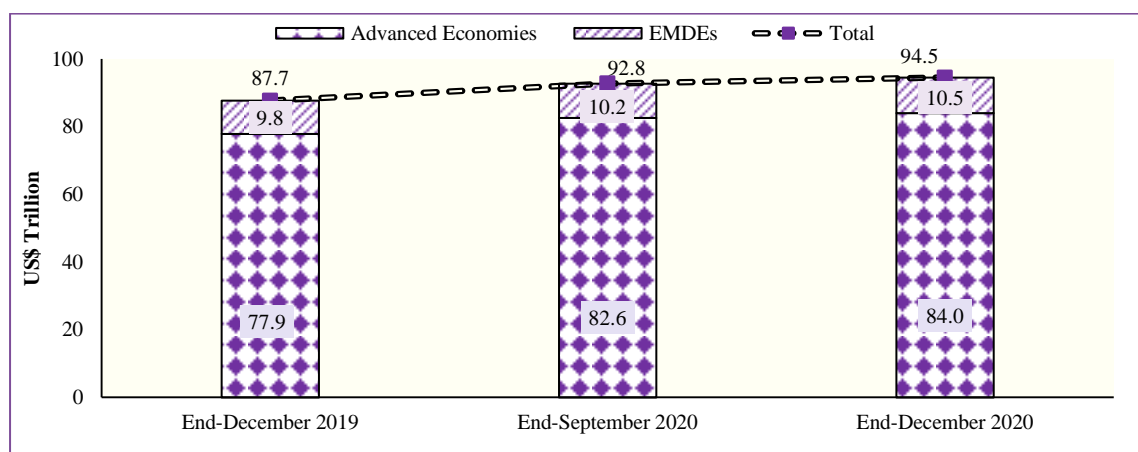
### 5.1 GLOBAL EXTERNAL DEBT

5.2 The global external debt as at end-December 2020 at US\$ 94.5 trillion rose by 7.7 per cent over the stock as at end-December 2019. While the stock of external debt of the AEs grew by 7.8 per cent to US\$ 84 trillion, that of EMDEs rose by 7 per cent to US\$ 10.5 trillion (Figure 5.1).

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<sup>12</sup>In October 2014, the World Bank in collaboration with the International Monetary Fund (IMF), launched the new Quarterly External Debt Statistics (QEDS) SDDS and GDDS database in line with the classifications and definitions of the 2013 External Debt Statistics: Guide for Compilers and Users (2013 EDS Guide) and Sixth Edition of Balance of Payments and International Investment Position Manual (BPM6). The latest QEDS data is available for the quarter-ending December 2020.

**Figure 5.1: Global External Debt**



Note: Country groupings as per World Economic Outlook, IMF  
Source: Quarterly External Debt Statistics, World Bank

**Figure 5.2: Gross External Debt Stock of Top-Twenty Countries**



Source: QEDS, World Bank

5.3 Interestingly, the US is the most heavily indebted country in the world with total external debt stock estimated at US\$ 21.4 trillion, constituting 22.6 per cent of the total global debt at end-December 2020. Following the US are the UK (9.8 per cent), France (7.8 per cent), Germany (7.2 per cent) and Japan (5.1 per cent). China was the only country among the EMDEs occupying 12<sup>th</sup> position globally in terms of the stock. Brazil which occupied the 20<sup>th</sup> position last year, improved its position to 21<sup>st</sup> position. The total external debt stock of the top 20 debtor countries in the world constituted 87.2 per cent of world external debt at end-

December 2020, as against 86.7 per cent as at end-December 2019. India stood comfortably at 24<sup>th</sup> position globally with an estimated stock of external debt at US\$ 563 billion (Figure 5.2 and Table 5.1).

**Table 5.1: Gross External Debt Stock of Top-Twenty Debtor Countries as at End-December 2020**

(US\$ Billion)

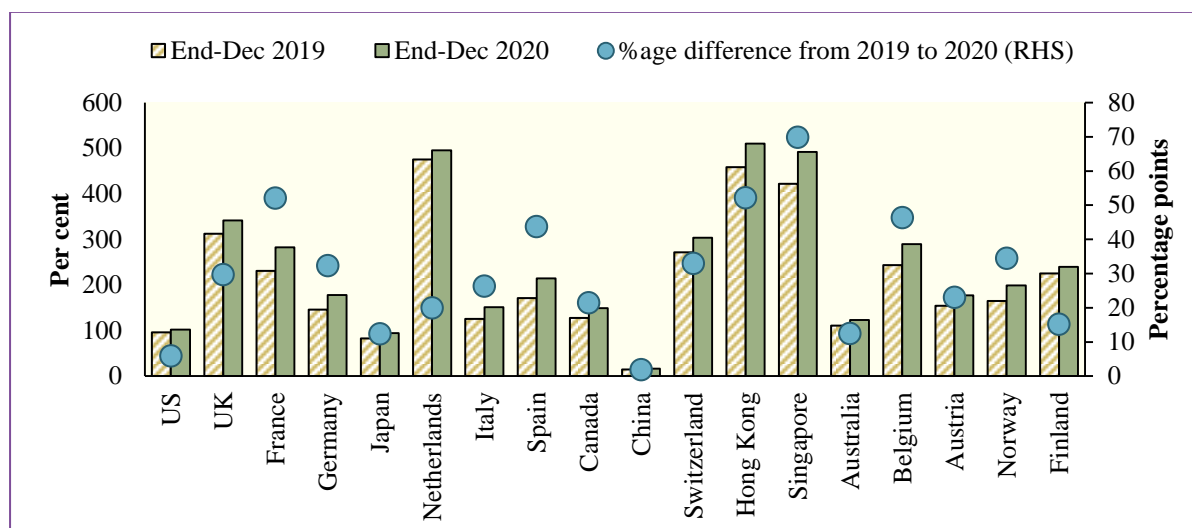
Country	End-December 2019	End-September 2020	End-December 2020	Growth Rate (%)	
				End-Dec 2020 over End-Sept 2020	End-Dec 2020 over End-Dec 2019
1	2	3	4	5	6
United States	20601	21315	21358	0.2	3.7
UK**	8841	9262	9262	-	4.8
France	6268	7100	7348	3.5	17.2
Germany	5621	6502	6764	4.0	20.3
Japan	4239	4745	4779	0.7	12.7
Netherlands	4311	4527	4503	-0.5	4.5
Luxembourg	4091	3903	4018	3.0	-1.8
Ireland*	2852	2878	2878	-	0.9
Italy	2507	2693	2852	5.9	13.7
Spain	2383	2591	2744	5.9	15.2
Canada	2222	2269	2448	7.9	10.2
China	2071	2308	2401	4.0	15.9
Switzerland	1985	2174	2272	4.5	14.5
Hong Kong SAR	1675	1718	1783	3.8	6.4
Singapore	1580	1615	1672	3.5	5.8
Australia	1539	1560	1672	7.2	8.7
Belgium	1298	1442	1487	3.2	14.5
Austria	686	738	760	3.0	10.7
Norway	668	664	721	8.7	8.0
Finland	605	663	650	-2.0	7.4
<b>Memo</b>					
Brazil	676	622	639	2.9	-5.4
India	564	557	563	1.2	-0.1
<b>Total</b>	<b>87712</b>	<b>92770</b>	<b>94506</b>	<b>1.9</b>	<b>7.7</b>

\*ED for 2020: Q2\*\*ED for 2020: Q3

Source: QEDS, World Bank

5.4 The ratio of external debt to GDP witnessed largest jump of 69.9 percentage point between end-December 2019 and end-December 2020 in the case Singapore, followed by France and Hong Kong (52 pp), and Belgium (46 pp) (Figure 5.3).

**Figure 5.3: External Debt to GDP Ratio of Top-Twenty Debtor-Countries**



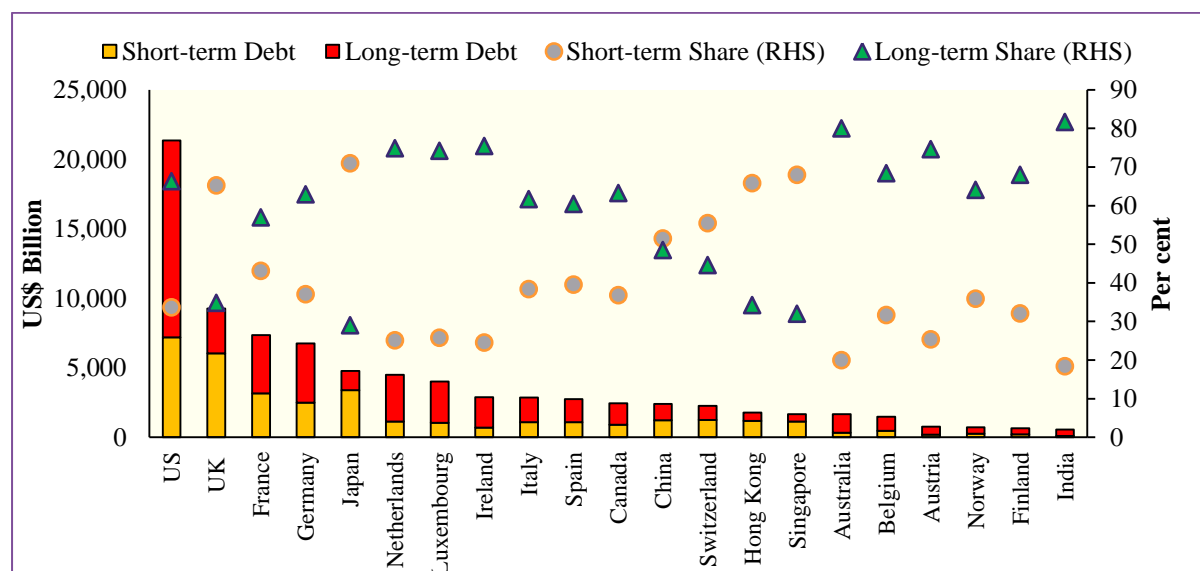
Source: QEDS, World Bank and World Economic Outlook, IMF

### 5.1.1 Global External Debt: Maturity-Wise

5.5 As at end-December 2020, the share of long-term debt in the total debt of the top 20 debtor countries ranged between 29 per cent (Japan) and 80 per cent (Australia), while the global average stood at 61 per cent. The share of long-term debt of Japan, Singapore, the UK, Hong-Kong, Switzerland, China, and France was below the global average, while that of the US, Germany, the Netherlands, Luxembourg, Ireland, Italy, Spain, Canada, Australia, Belgium, Austria, Norway and Finland was above the global average. India's share of long-term debt in total debt at 81.6 per cent was way above the global average as at end-December, 2020. As regards the share of short-term debt, it ranged between 20 per cent (Australia) and 71 per cent (Japan), while the global average was estimated at 39 per cent. While majority of the top 20 debtors had lower share of short-term debt than the global average, China, Switzerland, Hong Kong, Singapore, the UK, France and Japan had a higher share than the global average (Figure 5.4). India's short-term share at 18.4 per cent was lower than the global average. The

external debt data on maturity-wise breakup for the top-twenty LMICs and top-twenty debtor-countries is presented in Annex XIV and Annex XV, respectively.

**Figure 5.4: Inter-country Comparison of External Debt as at end-December 2020: Maturity-Wise**



Source: QEDS, World Bank

### 5.1.2 Global Stock of External Debt: Sector-Wise

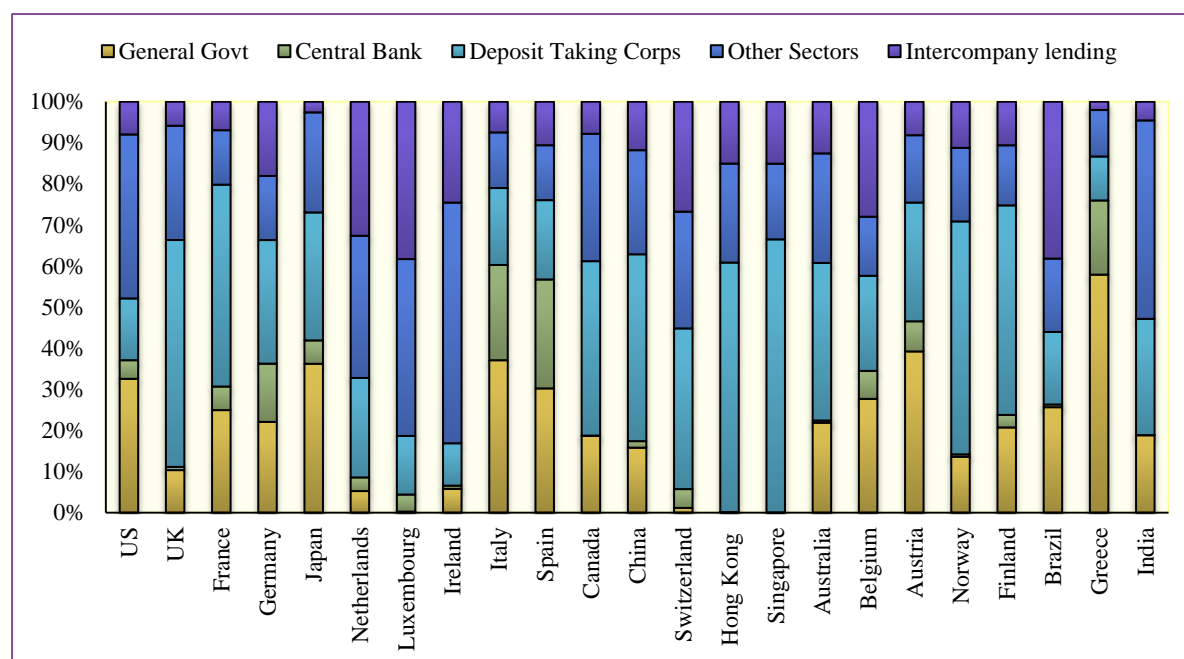
5.6 Figure 5.5 below presents the sector-wise classification of the stock of external debt of the top twenty debtor-countries as at end-December 2020. On average, deposit-taking corporations and other sectors accounted for 31.1 per cent and 28.8 per cent, respectively of the total stock of external debt.<sup>13,14</sup> In particular, Singapore, Hong-Kong, Norway, the UK, Finland and France are among the countries wherein deposit-taking corporations were the leading recipients of the external debt. As regards ‘other sectors’, Ireland, Luxembourg, the US, the Netherlands and Canada were the leading recipient-countries. Greece, Austria, Italy, Japan, the US, and Spain were the countries with large external debt stocks in so far as the Government sector is concerned. Government sector in Hong-Kong and Luxembourg accounted for the smallest share of external debt (less than 1 per cent), while Singapore had no external debt on

<sup>13</sup> ‘Other sectors’ include other financial corporations and non-financial corporations.

<sup>14</sup> The sectoral share is calculated on the basis of the average of the top-twenty debtor-countries.

Government Sector. In India, ‘other sectors’ was the largest borrower, followed by deposit-taking corporations and the general government (Figure 5.5).

**Figure 5.5: External Debt of Top-Twenty Debtors as at end-December 2020: Sector-Wise**



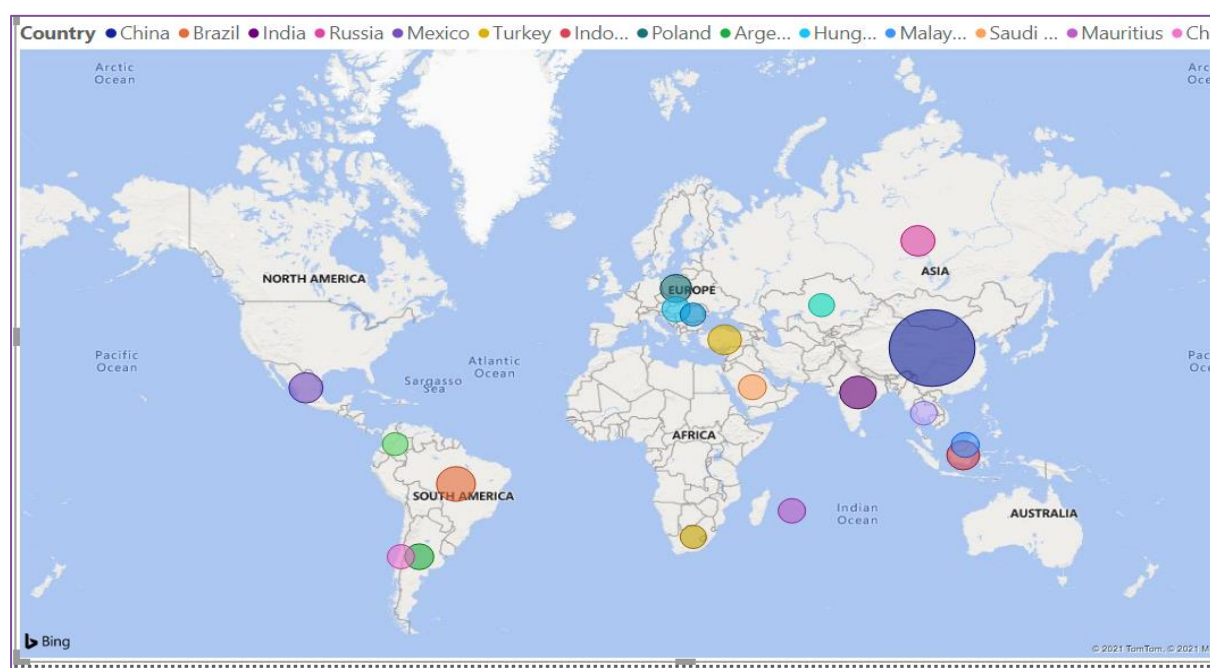
Source: QEDS, World Bank

## 5.2 EXTERNAL DEBT OF EMERGING MARKET AND DEVELOPING ECONOMIES

5.7 As mentioned earlier, external debt of the emerging market and developing economies (EMDEs) at US\$ 10.5 trillion constituted 11 per cent of the total. China is the most externally indebted country among the EMDEs with a stock of external debt estimated at US\$ 2.4 trillion as at end-December 2020, accounting for 22.9 per cent of the EMDEs' total. Following China are Brazil (6.1 per cent), India (5.4 per cent), Russia (4.5 per cent) and Mexico (4.4 per cent) (Table 5.2). Among the top-twenty debtor-emerging economies, Hungary (64 per cent), Saudi Arabia (29.7 per cent), Romania (25.3 per cent) and China (15.9 per cent) witnessed a significant acceleration in the growth of their stock of external debt as at end-December 2020 over that a year ago. While Romania's external debt soared during 2020 reflecting increasing foreign borrowings by the government, Saudi Arabia, on the other hand, resorted to largest borrowings from abroad amid collapsing energy prices and oil production cuts. India's external

debt at US\$ 563 billion as at end-December 2020, moderately contracted over the level a year ago (Figure 5.6).

**Figure 5.6: Gross External Debt Stock of Top- Twenty Emerging Market and Developing Economies<sup>@</sup>**



<sup>@</sup> According to the IMF classification

For country-wise data of LMICs, as per World Bank classification, please see Annex 14

Source: QEDS and International Debt Statistics – 2021: World Bank

**Table 5.2: Gross External Debt Stock of Emerging Market and Developing Economies<sup>@</sup>**

(US\$ Billion)

Country	End-December 2019	End-September 2020	End-December 2020	Growth Rate (%)	
				End-Dec 2020 over End-Sept 2020	End-Dec 2020 over End-Dec 2019
1	2	3	4	5	6
China	2,071	2,308	2,401	4.0	15.9
Brazil	676	622	639	2.9	-5.4
India	564	557	563	1.2	-0.1
Russia	491	463	468	1.0	-4.8
Mexico	464	452	462	2.3	-0.4
Turkey	435	436	450	3.2	3.6

Indonesia	404	409	418	2.2	3.4
Poland	354	353	372	5.3	5.1
Argentina	278	269	272	0.9	-2.5
Hungary	156	237	256	8.1	64.0
Malaysia	231	229	239	4.2	3.4
Saudi Arabia	184	223	239	6.9	29.7
Mauritius	221	215	218	1.3	-1.4
Chile	197	207	209	0.8	6.0
Thailand	172	172	190	10.7	10.5
South Africa	185	157	171	8.9	-7.8
Venezuela, RB#	168	168	168	0.0	0.0
Kazakhstan	159	161	163	1.5	3.0
Colombia	138	148	155	4.8	12.2
Romania	123	138	155	11.6	25.3
<b>Others</b>	<b>2140</b>	<b>2232</b>	<b>2287</b>	<b>2.5</b>	<b>6.9</b>
<b>Total</b>	<b>9,811</b>	<b>10,156</b>	<b>10,495</b>	<b>3.3</b>	<b>7.0</b>

#: 2019: Q4 from IDS - 2021

@ According to the IMF classification

For country-wise data of low and middle-income countries, as per World Bank classification, please see Annex 14

Source: QEDS and International Debt Statistics – 2021: World Bank

5.8 Among the EMDEs, Low-Income Countries suffered the most as their external debt soared while growth plummeted. As a result, various multilateral initiatives are underway to mitigate the same (Box 4).

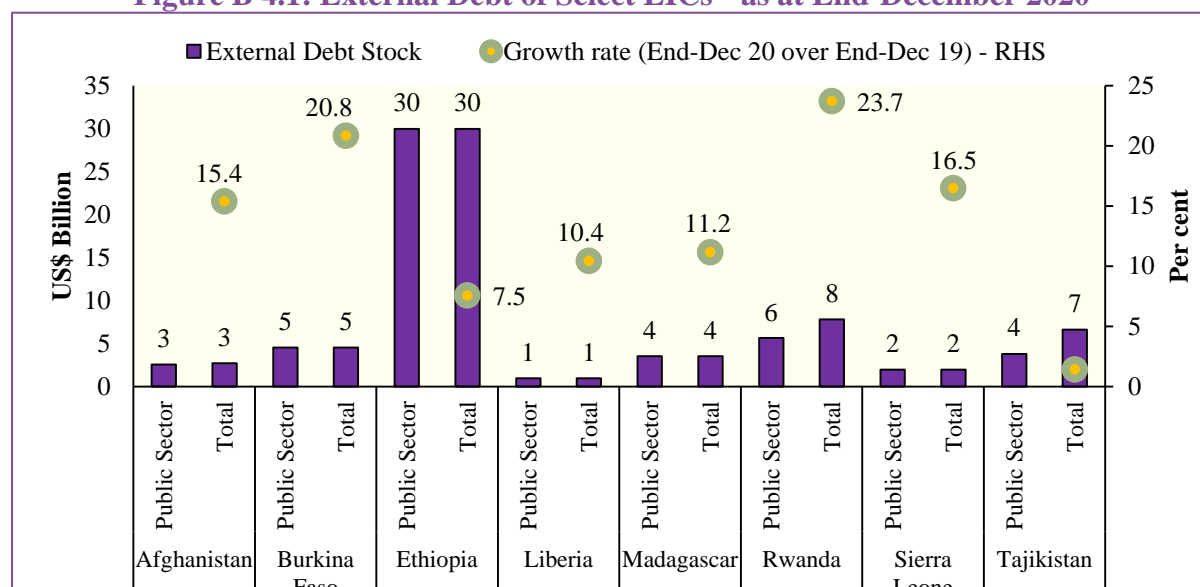
#### **Box 4: The Covid-19 Pandemic and External Debt of Low-Income Countries: Impact and Initiatives**

The World Bank classifies a country as low-income country if its per capita GNI is less than or equal to US\$ 1035 and there are 29 such low-income countries (LICs), with a population of 668 million (constituting 8.7 per cent of global population) accounting for 1.3 per cent of the global GDP<sup>15</sup>.

<sup>15</sup> As per the World Bank, the LICs are Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Congo Democratic Republic, Eritrea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Democratic People's Republic of Korea, Liberia, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Syrian Arab Republic, Tajikistan, Togo, Uganda and Yemen, Rep.

The health and economic crises triggered by the COVID-19 pandemic have significantly impacted the LICs. Constrained by the limited fiscal space and availability of concessional financing, real annual GDP growth of these countries in 2020 declined to 0.3 per cent from above 5 percent in the previous three years. The pandemic has dealt a major blow to world's poorest countries, causing their stock of external debt soar. Illustratively, Sierra Leone saw its external debt levels swell by as much as 17 per cent during 2020 and is among the LICs in external debt distress as at end-March 2021 (Figure B4.1).

**Figure B 4.1: External Debt of Select LICs<sup>@</sup> as at End-December 2020**



@ According to the IMF classification

Source: QEDS: World Bank

Further, another stylised fact discernible from Figure B4.1 is: the public sector was the leading debtor accessing foreign borrowing. Illustratively, Ethiopia's total stock of external debt at US\$ 30 billion as at end-December 2020 was entirely due to the public sector borrowings. According to the SDDS/GDDS manual, the public sector comprises the general government, the central bank and those units in the deposit taking corporations that are public corporations.

Falling growth coupled with soaring external debt adversely transformed the debt dynamics of the LICs. According to the data on the external debt ratings from the latest external Debt Sustainability Analysis (DSA) as at end-March 2021, 52 per cent of the LICs were in debt distress or in high-risk category (Table B4.1).

IMF lending to LICs rose to around US\$13.4 billion in 2020, in large part through emergency financing instruments, while Multilateral Development Banks (MDBs) collectively mobilized commitments of US\$ 75 billion between April 2020 and mid-2021 to reduce the impact of the pandemic on the world's poorest countries. Further, initiatives such as Debt Service Suspension Initiative (DSSI) and the Common Framework were established by the G20 to ease financing constraints. More than US\$5 billion in relief has been delivered to more than 40 eligible countries under DSSI. The suspension period, originally set to end

on December 31, 2020, has since been extended through December 2021. The Common Framework aims to address sovereign debt burdens and ensure broad participation of creditors with fair burden sharing.

**Table B 4.1: External Debt Rankings of LICs as per Debt Sustainability Analysis**

Country	Risk of external debt distress <sup>@</sup>	Country	Risk of external debt distress <sup>2</sup>
Afghanistan	High	Madagascar	Moderate
Burkina Faso	Moderate	Malawi	Moderate
Burundi	High	Mali	Moderate
Central African Republic	High	Mozambique	High
Chad	High	Niger	Moderate
Congo	Moderate	Rwanda	Moderate
Republic of Congo	In distress	Sierra Leone	High
Ethiopia	High	Somalia	In distress
The Gambia	High	South Sudan	High
Guinea	Moderate	Sudan	In distress
Guinea-Bissau	High	Tajikistan	High
Haiti	High	Togo	Moderate
Liberia	Moderate	Uganda	Low

@ As of end-March 2021

■ In distress ■ High ■ Moderate ■ Low

Source: World Bank Group and IMF

The IMF estimates that over the next five years, LICs would require an additional US\$ 200 billion to step up the response to COVID-19 and build adequate financial buffers and an additional US\$ 250 billion – US\$ 350 billion to accelerate convergence with advanced economies. The IMF approved creation of an additional SDR allocation of US\$ 650 billion among the member-countries. The share of the LICs in this new allocation at 3.2 per cent amounts to US\$ 21 billion. IMF flagged the need for voluntary use of proposed allocation of SDRs to benefit LICs in the form of on-lending part of their SDRs on a voluntarily basis to further scale up concessional loan resources. Already, 16 members have provided or pledged new loan resources of about SDR 17 billion (about \$24 billion) – of which around two-third is from members using existing SDRs.

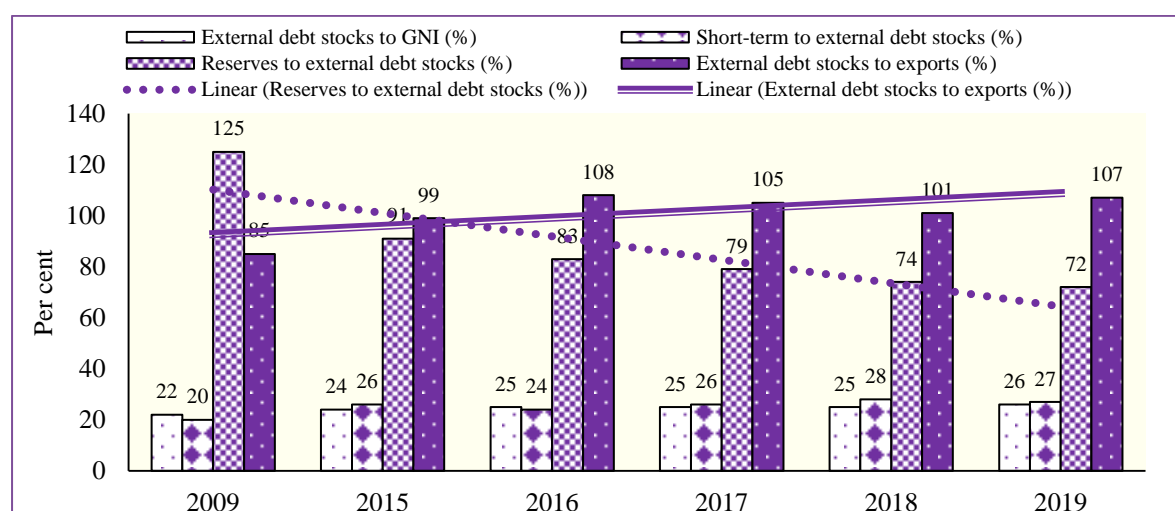
The post-Covid external debt situation of LICs explained above contrasts with that of India. As elaborated in Box 2 in chapter 2 above, the external debt dynamics of India has inbuilt

stabilizers in the form of procyclically moving with growth. In contrast to the LICs, in India, private sector is the leading debtor as commercial borrowings have emerged as the largest component of external debt over the years. This largest component is sensitive to economic activity. Therefore, as the economy contracted due to the pandemic, external debt too contracted. It took about 4 quarters for the stock of India's external debt to reach the pre-pandemic level. Further, India has managed its external debt prudently with the overarching objective of keeping the current account deficit within sustainable limits by financing it with a prudent mix of debt and equity flows.

### 5.3 EXTERNAL DEBT VULNERABILITY INDICATORS OF LOW-AND MIDDLE-INCOME COUNTRIES

5.9 Data on external sector vulnerability indicators is available latest for 2019 from the International Debt Statistics (IDS) 2021. On average, the external debt burden of low-and middle- income countries (LMICs) remained moderate as evident by the salient external debt vulnerability indicators. While external debt to GNI ratio of LMICs remained range-bound around 26 per cent, the share of short-term debt in the total external debt, moderated to 27 per cent in 2019, reversing the increasing trend witnessed in the recent years, though it is still much higher than that recorded in 2009. The reserve to external debt stock of LMICs worsened over the years dropping to 72 per cent in 2019 from 125 per cent 10-years ago, partly stemming from lagging export earnings as compared to accumulation of external debt. (Figure 5.7). Annex XIII presents various debt indicators of the top-twenty LMICs.

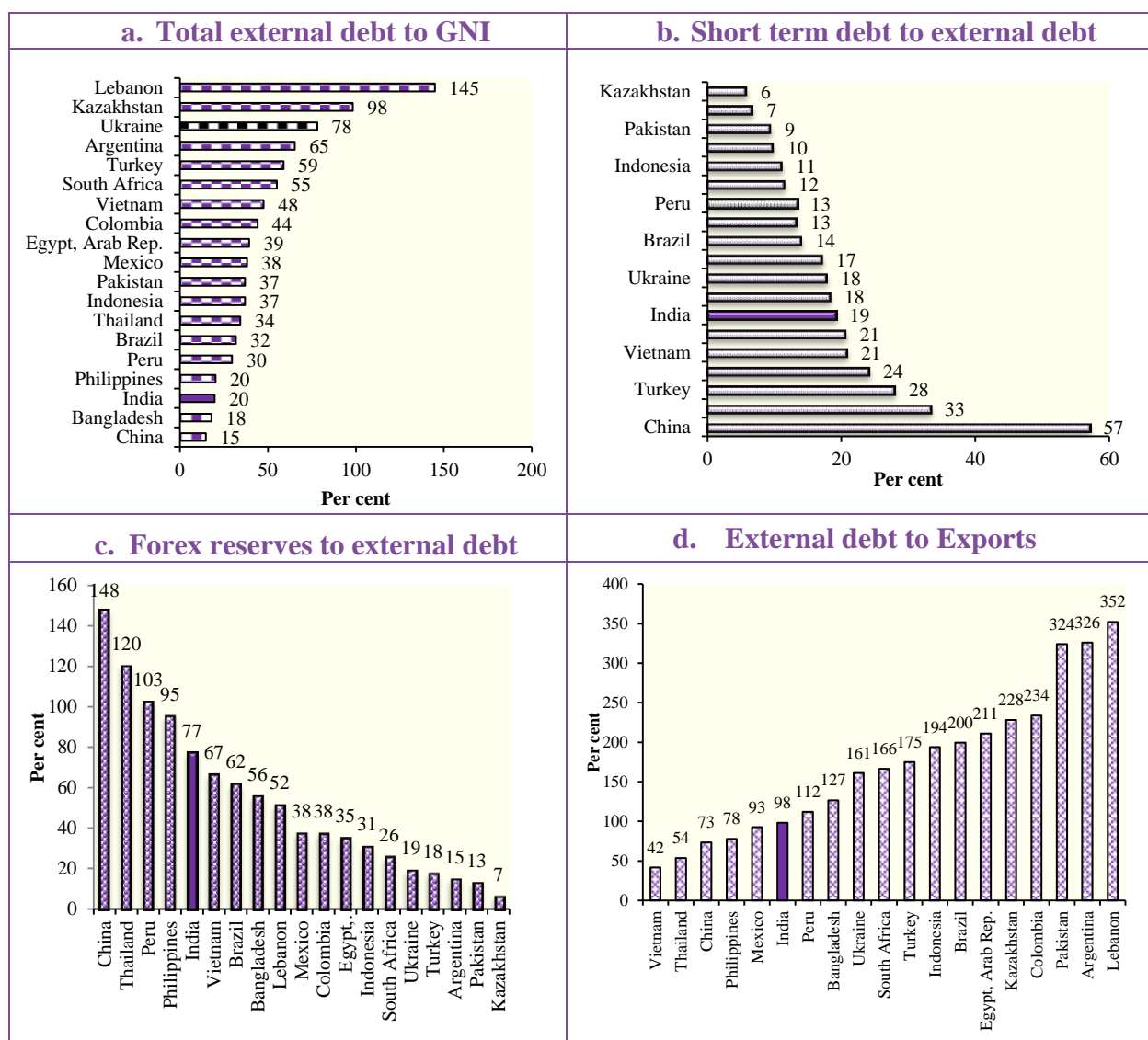
**Figure 5.7: Select External Debt Sustainability Indicators: LMICs**



Source: International Debt Statistics – 2021: World Bank

5.10 The sustainability of India's external debt is better than that of the LMICs as a group, as measured by these select vulnerability indicators. External debt to GNI, short-term debt to total external debt and external debt to exports were lower and reserves to external debt, higher, than that for LMICs. Further, the sustainability of India's external debt is better than most of the top-20 debtor-LMICs individually too as is evident from the analysis below.

**Figure 5.8: Select External Debt Indicators in 2019: LMICs vs India**



Source: International Debt Statistics 2021, World Bank

### 5.3.1 External Debt to GNI

5.11 As measured by the ratio of external debt to GNI – which is a better indicator as it normalises the stock of external debt to the size of the economy – India (19.7 per cent) is the third least indebted country, after China and Bangladesh. Lebanon is the most heavily indebted (145.0 per cent), followed by Kazakhstan (98.3 per cent), Ukraine (78.1 per cent), Argentina (65.3 per cent) and Turkey (59 per cent). Argentina and Turkey are among the top-ten indebted countries both in terms of absolute stock of external debt and the ratio of external debt to GNI (Figure 5.8).

### 5.3.2 Share of Short-term Debt

5.12 The share of short-term debt in the total stock of external debt is an important metric to analyse potential debt vulnerability. This metric ranged between 5.8 per cent for Kazakhstan and 57.0 per cent for China in 2019. China not only has the highest share of short-term debt to total external debt, but it also accounts for the biggest share in total short-term debt of top-twenty LMICs at 62.9 per cent. For India, it is estimated at 19.1 per cent. While China (57 per cent), Thailand (33.3 per cent), Venezuela (30.4 per cent), Turkey (27.9 per cent), Argentina (24.1 per cent), Vietnam (20.8 per cent), and the Philippines (20.6 per cent) have higher shares than India, all other countries have lower shares than India (Figure 5.8).

### 5.3.3 Forex Reserves to External Debt

5.13 The forex reserve cover for the external debt for the top twenty LMICs ranged from 6.5 per cent for Kazakhstan to 147.9 per cent for China. After China, Thailand (120.3 per cent) has the highest reserve cover, followed by Peru (102.8 per cent), the Philippines (95.4 per cent), India (77.2 per cent), Vietnam (66.8 per cent), Brazil (62.1 per cent), and Bangladesh (56.1 per cent). Thus, India figures among the top five LMICs in terms of reserve cover to total external debt stock (Figure 5.8).

### 5.3.4 External Debt to Exports

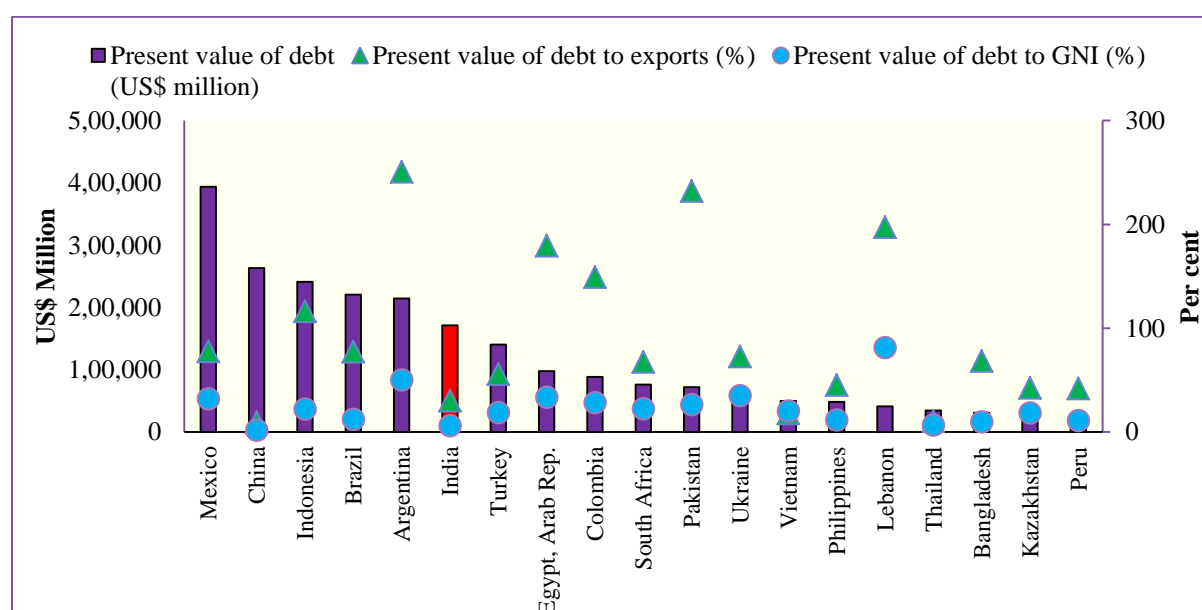
5.14 The ratio of total external debt to exports of goods and services for the top twenty LMICs ranged from 41.5 per cent for Vietnam to 352 per cent for Lebanon. Argentina (326.2 per cent), Pakistan (324 per cent), Columbia (233.6 per cent) and Kazakhstan (228.3 per cent)

were among the most indebted countries vis-à-vis exports. It was at 98.4 per cent for India, hence worse than China (73.4 per cent) and but better than Brazil (199.6 per cent) (Figure 5.8).

## 5.4 PRESENT VALUE OF EXTERNAL DEBT

5.15 The concept of Present Value (PV) is a useful measure of assessing indebtedness. The PV of external debt outstanding is arrived at by discounting the nominal value of all future debt service payments by the prevailing market rates of interest and aggregating such PVs. The interest rates used in the calculations are the Commercial Interest Reference Rates for each relevant currency compiled and published by the Organization for Economic Cooperation and Development (OECD). The data on PV of external debt for the top twenty low and middle-income debtor countries is presented in Figure 5.9.

**Figure 5.9: Select Indicators of Present Value of External Debt – Top Twenty LMIC Debtor Countries in 2019**



Source: International Debt Statistics 2021, World Bank

5.16 As can be observed from Figure 5.9, in a cross-country comparison, India turns out to be less externally indebted if measured in terms of PV, as against the nominal value, both in terms of absolute stock of debt (improving from 3<sup>rd</sup> largest debtor among LMICs on nominal value basis) to 6<sup>th</sup> largest debtor (on PV basis)); external debt stock to exports (from 14<sup>th</sup> to 16<sup>th</sup> largest debtor); and external debt stock to GNI (from 18<sup>th</sup> to 19<sup>th</sup> largest debtor). On PV basis, China is better off than India with regard to debt to exports and debt to GNI, while India is

better off than China in so far as stock of debt is concerned. By all the three indicators, Brazil is worse off than India in all the three indicators.

## 5.5 OVERVIEW

5.17 To recap, in a cross-country perspective – be it among the top 20 debtor countries in the world or be it among the LMICs – India’s external debt position is comfortable based on the standard set of indicators of debt vulnerability, measured both in terms of nominal and present value, notwithstanding the pandemic. On the contrary, the pandemic disrupted the external debt dynamics of the LICs adversely, necessitating a global response to mitigate it.

# ANNEXURES

## Annexure I: External Debt: Definition, Concepts and Dissemination of Data

### I. Definitions and Concepts

#### 1. External Debt

*Gross external debt*, is a stock variable and is measured at a point in time. External debt is defined as “the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in the future and that are owed to non-residents by residents of an economy” {*External Debt Statistics - Guide for Compilers and Users*, International Monetary Fund (IMF), 2003}.

#### 2. Original and Residual Maturity

(i) *Original maturity* is defined as the period encompassing the precise time of creation of the financial liability to its date of final maturity.

(ii) Debt by *residual maturity* (or *remaining maturity*) includes short term debt by original maturity of up to one year, combined with medium to long term debt repayment by original maturity falling due within the twelve-month period following a reference date. External debt is commonly expressed in terms of original maturity.

#### 3. Long and Short-term

One way of classifying external debt is the two-way scheme based on duration - long and short-term. Long term debt is defined as debt with an original maturity of *more than* one year, while short term debt is defined as debt repayments on demand or with an original maturity of *one year or less*.

The coverage of short-term was redefined in 2005-06 by including supplier's credit upto 180 days and FII investment in the Government Treasury Bills and other instruments and further in March 2007 by including external debt liabilities of the banking system and the investment in the Government securities by the foreign central banks and the international institutions.

#### 4. Multilateral and Bilateral Debt

Multilateral creditors are primarily multilateral institutions such as the International Development Association (IDA), International Bank for Reconstruction and Development (IBRD), Asian Development bank (ADB) etc. Bilateral creditors are sovereign countries with whom sovereign and non-sovereign entities enter into one-to-one loan arrangements. Some of India's bilateral creditors who extend loans to both sovereign and non-sovereign debtors include Japan, Germany, United States, France, Netherlands and Russian Federation.

#### 5. Sovereign (Government) and Non-Sovereign (Non-Government) debt

*Sovereign debt* includes (i) external debt outstanding on account of loans received by Government of India under the 'external assistance' programme, and civilian component of Rupee Debt; (ii) other Government debt comprising borrowings from IMF, defence debt component of Rupee debt as well as foreign currency defence debt and FII investment in Government Securities. *Non-sovereign* includes the remaining components of external debt.

#### 6. Trade Credits/Export Credits

Trade credits/Export credits refer to loans and credits extended for imports directly by overseas supplier, bank and financial institution to sovereign and non-sovereign entities. Depending on the source of finance, such credits can be either *suppliers' credit* or *buyers' credit*.

(i) *Suppliers' Credit*: Such credit is extended by the overseas supplier of goods in the form of deferred payments.

(ii) *Buyers' Credit*: Such credit is provided by a bank or financial institution and is generally governed by OECD consensus terms and carries insurance from export credit agency of the concerned country.

#### 7. External Commercial Borrowings

The definition of commercial borrowing includes loans from commercial banks, other commercial financial institutions, money raised through issue of securitized instruments like bonds (including India Development Bonds (IDBs) and Resurgent India Bonds (RIBs)), Floating Rate Notes (FRN) and securitized borrowings of commercial banks, etc. It also

includes borrowings through buyers' credit & supplier credit mechanism of the concerned countries, International Finance Corporation, Washington [IFC (W)], Nordic Investment Bank and private sector borrowings from Asian Development Bank (ADB).

## 8. NRI Deposits

Non-Resident Indian (NRI) deposits are of three types:

- (i) *Non Resident (External) Rupee Account {NR(E)RA} Deposits* were introduced in 1970. Any NRI can open an NRE account with funds remitted to India through a bank abroad. A NRE account maintained in Indian rupee may be opened as current, savings or term deposit. The amount held in these deposits together with the interest accrued can be repatriated.
- (ii) *Foreign Currency (Non Resident) (Banks) Deposits {FCNR (B)}* were introduced with effect from May 15, 1993. These are term deposits maintained only in Pound Sterling, U.S. dollar, Japanese Yen, Euro, Canadian dollar and Australian dollar. The minimum maturity period of these deposits was raised from six months to 1 year effective October 1999. From July 26, 2005, banks have been allowed to accept FCNR (B) deposits up to a *maximum* maturity period of five years against the earlier maximum limit of three years.
- (iii) *Non-Resident Ordinary Rupee (NRO) Accounts* – Any person resident outside India may open and maintain NRO account with an Authorised Dealer or in authorised bank for the purpose of putting through bonafide transactions denominated in Indian Rupees. NRO Accounts may be opened/maintained in the form of current, saving, recurring or fixed deposits. NRI/Persons of Indian Origin (PIO) may remit an amount not exceeding USD 1 million per financial year out of the balances held in NRO Accounts.

## 9. Concessional Debt

Generally, a loan is defined as 'concessional' when it carries a grant element of 25 per cent or more. In India, loans from multilateral (the International Development Association (IDA), International Fund for Agricultural Development (IFAD)) and bilateral sources (including rupee debt that is serviced through exports) is categorized as 'concessional', based on their terms of long maturity and less-than-market rate of interest charged on them.

## 10. External Debt from Official and Private Creditors

External debt from multilateral and bilateral sources of finance, export credit component of bilateral credit, export credit for defence purposes and rupee debt, etc. is called as official debt. External debt from private creditor denotes sources of loans raised under ECBs, NRI deposits, export credits (other than those included under official creditors), and short-term debt.

## 11. External Debt to GDP Ratio

The ratio of the external debt stock to GDP is derived by scaling the total outstanding debt stock (in rupees) at the end of the financial year by the GDP (in rupees at current market prices) during the financial year.

## 12. Debt Service Ratio

Debt service ratio is measured by the proportion of total debt service payments (i.e. principal repayment plus interest payment) to current receipts (minus official transfers) of Balance of Payments (BoP). It indicates the claim that servicing of external debt makes on current receipts and is, therefore, a measure of strain on BoP due to servicing of debt service obligations.

## 13. Borrower Classification of External Debt

The borrower classification of external debt provides breakup into Government (Sovereign) and non-Government debt. The latter is further categorized into financial, public and private sectors. Financial sector represents borrowings by banks and financial institutions including long-term NRI Deposits. Public sector debt represents borrowings of non- financial public sector enterprises and private sector debt represents borrowings of non- financial private sector enterprises.

## 14. External Debt Denominated in Rupee Currency

Unlike foreign currency denominated external debt, where the currency (exchange rate) risk is borne by the *borrower*, the characteristic feature of domestic currency denominated debt is that the *exchange rate risk* is borne by the *creditor*. The contractual liability, however, is

settled in terms of the designated foreign currency (Exports in case of Rupee debt owed to Russia). This implies that the *borrower* gains (and the *creditor* loses) when the local currency depreciates since less has to be repaid in foreign currency terms and *vice versa*.

India's External Debt denominated in Rupees consists of the following categories:-

- i. *Rupee Debt*; The outstanding state credits (both defence and civilian) extended to India by the erstwhile Union of Soviet Socialist Republic (USSR). The debt is denominated in Rupees and repayment of such debt is made primarily through the export of goods to Russia;
- ii. *Rupee Denominated NRI Deposits* viz. the Non-Resident (External) Rupee Account {*NR(E)RA*} and the Non-Resident Ordinary Rupee (*NRO*) Accounts. The *NR(E)RA* is categorized as an external debt liability since the principal amount held in such accounts as well as the interest accrued are repatriable;
- iii. Foreign Institutional Investor's (FII) Investments in Government Treasury Bills (TBs) and dated securities; and
- iv. FII Investments in corporate debt securities.

## 15. Dissemination of External Debt Statistics in India

- (i) The Government of India has been publishing the Status Report on India's external debt annually since 1993. The coverage of external debt statistics has been expanded over the years to align it with the best international practices and make it more comprehensive. India has also been disseminating data on external debt under IMF's Special Data Dissemination Standards (SDDS) and Quarterly External Debt Statistics (QEDS) database jointly developed by the World Bank and the International Monetary Fund.
- (ii) The external debt statistics of India are disseminated with a lag of three months from the end of the reference quarter in both the country specific and SDDS format and are accessible at [www.finmin.nic.in](http://www.finmin.nic.in) and [www.rbi.org.in](http://www.rbi.org.in). In November 2006, India joined the 'Quarterly External Debt Statistics' database, jointly developed by the World Bank and International Monetary Fund and has been compiling external debt statistics

in the QEDS format every quarter and furnishing the same for release on the World Bank's website.

- (iii) Under the present arrangement, the External Debt Management Unit (EDMU) in the Ministry of Finance (MoF), Department of Economic Affairs (DEA), Government of India compiles external debt data for the quarters ending September and December, while the Reserve Bank of India (RBI) compiles and disseminates data for the quarters ending March and June every year. In addition, an annual publication 'India's External Debt: A Status Report' is brought out by the EDMU, MoF, Government of India. Office of the Controller of Aid Accounts & Audit (CAAA) of the DEA, MoF publishes a report titled 'External Assistance' which provides a detailed account of external assistance received by the Government of India in the form of loans/credits and grants from foreign countries, international institutions and other organizations. It provides donor/country/currency-wise details along with information relating to interest rate structure and maturity profile of external debt availed from multilateral and bilateral creditors.
- (iv) The data published for the current quarter/year are termed as 'Quick Estimates'. Quick estimates data are subject to revision during the next twelve months which are labelled as 'Partially Revised' as and when they are published. The partially revised data are fully 'frozen' and released as final data with a lag of twenty four months from the reference date. Extraordinary revisions are undertaken within the cycle only in the event of methodological changes in respect of data collection and compilation procedures and/or significant changes indicated by data sources that may entail structural shifts in the data series.
- (v) External debt recording and compilation is done with the aid of the latest version of *Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) 2000+* (version 1.3) by the CAAA, DEA, MoF and (Department of Statistics and Information Management (DSIM)) Reserve Bank of India (RBI). About 60 percent of external debt is recorded in CS-DRMS 2000+, except NRI deposits and short-term debt. Besides, FII investment and defence debt and some minor portions of the external debt are also not under the purview of this computerization scheme.

- (vi) The external debt statistics are compiled using the methodology and practices prescribed in the '*External Debt Statistics: Guide for Compilers and Users*' brought out by the IMF. The coverage of India's external debt statistics particularly short-term external debt has been expanded gradually to make these statistics more comprehensive. In fact, short-term trade credits, which are not adequately captured in external debt statistics of several countries due to conceptual issues and data-related problems, are being compiled regularly and included in the short-term debt. To that extent, global comparisons may be problematic in terms of magnitudes.

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## Annexure II: Key External Debt Indicators

(Per cent, else otherwise indicated)

Year	External Debt (US\$ million)	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Total External Debt to GDP	Ratio of Concessional Debt to Total Debt	Ratio of Short-term Debt to Foreign Exchange Reserves	Ratio of Short-term Debt to Total Debt
1	2	3	4	5	6	7	8
2001-02	98,843	13.7	54.7	20.8	35.9	5.1	2.8
2002-03	1,04,914	16.0 <sup>a</sup>	72.5	20	36.8	6.1	4.5
2003-04	1,12,653	16.1 <sup>b</sup>	100.3	17.7	35.8	3.9	3.9
2004-05	1,34,002	5.9 <sup>c</sup>	105.6	18.4	30.7	12.5	13.2
2005-06	1,39,114	10.1 <sup>d</sup>	109.0	17.1	28.4	12.9	14.0
2006-07	1,72,360	4.7	115.6	17.7	23.0	14.1	16.3
2007-08	2,24,407	4.8	138.0	18.3	19.7	14.8	20.4
2008-09	2,24,498	4.4	112.2	20.7	18.7	17.2	19.3
2009-10	2,60,935	5.8	106.9	18.5	16.8	18.8	20.1
2010-11	3,17,891	4.4	95.9	18.6	14.9	21.3	20.4
2011-12	3,60,766	6.0	81.6	21.1	13.3	26.6	21.7
2012-13	4,09,374	5.9	71.3	22.4	11.1	33.1	23.6
2013-14	4,46,178	5.9	68.2	23.9	10.4	30.1	20.5
2014-15	4,74,675	7.6	72.0	23.8	8.8	25.0	18.0
2015-16	4,84,791	8.8	74.3	23.4	9.0	23.2	17.2
2016-17	4,71,012	8.3	78.5	19.8	9.4	23.8	18.7
2017-18	5,29,290	7.5	80.2	20.1	9.1	24.1	19.3
2018-19	5,43,112	6.4	76.0	19.8	8.7	26.3	20.0
2019-20 PR	5,58,437	6.6	85.6	20.6	8.8	22.4	19.1
2021- 21P	5,69,985	8.2	101.2	21.1	9.1	17.5	17.7

PR: Partially Revised; P : Provisional

a Works out to 12.4 per cent, with the exclusion of pre-payment of US\$ 3.4 billion.

b Works out to 8.2 per cent, with the exclusion of pre-payment of US\$ 3.8 billion and redemption of Resurgent India Bonds (RIBs) of US\$ 5.5 billion.

c Works out to 5.7 per cent, with the exclusion of pre-payment of US\$ 381 million.

d 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 US\$ 23.5 million.

### Annexure III: India's External Debt Outstanding (Annual)- Rupees

(Rs. crore)

Sl. No.	Components of External Debt	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021P
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I.</b>	<b>MULTILATERAL</b>	<b>216672</b>	<b>257088</b>	<b>279310</b>	<b>321560</b>	<b>328148</b>	<b>359490</b>	<b>354118</b>	<b>371783</b>	<b>396131</b>	<b>448824</b>	<b>506715</b>
	A. Government Borrowing	190326	222579	235670	268491	269431	294122	288246	304595	320336	362042	419319
	(i) Concessional	120653	138691	143130	163589	154581	166506	156726	164002	160421	166300	165241
	a) IDA	119068	136816	141119	161165	152171	163772	154050	160970	157188	162506	161408
	b) Others	1585	1875	2011	2424	2410	2734	2676	3032	3233	3794	3833
	(ii) Non-concessional	69673	83888	92540	104902	114850	127616	131519	140593	159915	195742	254077
	a) IBRD	39218	45328	48239	53433	57107	61553	60667	61663	67248	82796	99216
	b) Others	30455	38560	44301	51469	57743	66063	70852	78930	92667	112946	154862
	B. Non-Government Borrowing	26346	34509	43640	53069	58717	65368	65872	67188	75795	86782	87396
	(i) Concessional	0	0	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	26346	34510	43640	53069	58717	65368	65872	67188	75795	86782	87396
	a) Public Sector	15802	19407	23414	28105	31385	35409	32123	33715	39028	40927	42974
	i) IBRD	9193	11092	12749	14412	15674	17005	16625	16935	18652	21544	21900
	ii) Others	6609	8315	10664	13693	15711	18404	15498	16780	20375	19383	21075
	b) Financial Institutions	7511	10290	14370	18881	21859	25190	29829	30231	35155	42164	41010
	i) IBRD	1899	2707	2973	3820	3709	5984	7276	7418	8449	8609	7885

	ii) Others	5612	7583	11397	15061	18150	19206	22553	22812	26706	33555	33125
	c) Private Sector	3033	4813	5856	6083	5473	4769	3920	3242	1612	3690	3412
	i) IBRD	0	0	0	0	0	0	0	0	0	0	0
	ii) Others	3033	4813	5856	6083	5473	4769	3920	3242	1612	3690	3412
<b>II.</b>	<b>BILATERAL</b>	<b>114904</b>	<b>137086</b>	<b>136329</b>	<b>148813</b>	<b>136060</b>	<b>149378</b>	<b>150808</b>	<b>164847</b>	<b>176660</b>	<b>210362</b>	<b>225618</b>
	A. Government borrowing	80406	91641	88007	96918	88452	102925	109742	128945	141410	167494	179101
	(i) Concessional	80406	91641	88007	96918	88452	102925	109742	128945	141410	167494	179101
	(ii) Non-concessional	0	0	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	34499	45445	48322	51895	47608	46453	41066	35902	35250	42868	46517
	(i) Concessional	4101	7648	8435	10318	10080	11892	11988	12973	17389	24776	25069
	a) Public Sector	1621	4963	5916	7763	7546	9052	6758	7600	12182	18751	19265
	b) Financial Institutions	2480	2685	2519	2555	2534	2840	5230	5373	5207	6025	5804
	c) Private Sector	0	0	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	30397	37797	39887	41577	37528	34560	29077	22930	17861	18092	21448
	a) Public Sector	13789	14200	13010	13374	11561	10938	9478	8531	7048	3618	3843
	b) Financial Institutions	3754	3886	4206	4361	3323	3029	3169	2530	2296	2007	5958
	c) Private Sector	12854	19711	22671	23842	22644	20594	16430	11869	8516	12467	11647
<b>III.</b>	<b>IMF<sup>a</sup></b>	<b>28163</b>	<b>31528</b>	<b>32439</b>	<b>36910</b>	<b>34350</b>	<b>37177</b>	<b>35129</b>	<b>37716</b>	<b>38202</b>	<b>40931</b>	41442
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>83112</b>	<b>97117</b>	<b>96556</b>	<b>93275</b>	<b>78915</b>	<b>70001</b>	<b>62426</b>	<b>61660</b>	<b>54899</b>	<b>52617</b>	<b>47705</b>
	a) Buyers' credit	73273	85896	84667	80069	66006	54963	46790	43683	35692	30952	25185
	b) Suppliers' credit	2847	3252	4236	4779	5217	6088	6094	6764	6910	7101	6947

	c) Export credit component of bilateral credit	6992	7969	7653	8427	7692	8950	9543	11213	12297	14565	15574
<b>V.</b>	<b>COMMERCIAL BORROWINGS</b>	<b>448448</b>	<b>614623</b>	<b>762128</b>	<b>897744</b>	<b>1128501</b>	<b>1197176</b>	<b>1115514</b>	<b>1312756</b>	<b>1428897</b>	<b>1654195</b>	<b>1566295</b>
	a) Commercial bank loans <sup>b</sup>	261678	373194	454450	582644	635246	647311	567286	550820	659541	823472	810719
	b) Securitized borrowings <sup>c</sup>	183504	238849	306070	313416	490895	547465	545906	759701	767283	828604	753585
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	3266	2580	1608	1684	2360	2400	2323	2234	2074	2120	1992
<b>VI.</b>	<b>NRI DEPOSITS<sup>d</sup></b>	<b>230812</b>	<b>299840</b>	<b>385202</b>	<b>624101</b>	<b>720997</b>	<b>841956</b>	<b>757751</b>	<b>820737</b>	<b>902152</b>	<b>977309</b>	<b>1027382</b>
	(Above one year maturity)											
<b>VII.</b>	<b>RUPEE DEBT<sup>e</sup></b>	<b>7147</b>	<b>6922</b>	<b>6839</b>	<b>8826</b>	<b>9426</b>	<b>8479</b>	<b>7962</b>	<b>7886</b>	<b>8007</b>	<b>7704</b>	<b>7162</b>
	a) Defence	6416	6220	6164	8179	8807	7887	7398	7350	7498	7223	6708
	b) Civilian	731	702	675	647	619	592	564	536	509	481	453
<b>VIII.</b>	<b>TOTAL LONG TERM DEBT (I TO VII)</b>	<b>1129258</b>	<b>1444205</b>	<b>1698803</b>	<b>2131229</b>	<b>2436397</b>	<b>2663657</b>	<b>2483708</b>	<b>2777385</b>	<b>3004948</b>	<b>3391944</b>	<b>3422320</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>290149</b>	<b>399962</b>	<b>525931</b>	<b>550985</b>	<b>535145</b>	<b>553906</b>	<b>571387</b>	<b>664575</b>	<b>749924</b>	<b>805708</b>	<b>742995</b>
	a) Trade-Related Credits	261006	333202	472026	491271	510938	530806	560781	652969	708379	764291	714863
	1) Above 6 Months	157806	200454	321010	330500	334267	339674	364104	431225	362982	389010	344758
	2) Up to 6 Months	103200	132748	151016	160771	176671	191132	196677	221744	345397	375281	370106
	b) FII Investment in Govt. Treasury Bills and other instruments	24214	48066	29671	33686	7307	132	260	580	12003	12990	12467

	c) Investment in Treasury Bills by foreign central banks and other international institutions etc.	225	326	447	572	714	1576	1577	1791	1820	1822	1955
	d) External Debt Liabilities of:	4704	18368	23787	25456	16186	21392	8768	9235	27721	26605	13710
	1) Central Bank	693	871	985	892	939	1197	1575	1782	1529	1357	1282
	2) Commercial banks	4011	17497	22802	24564	15247	20195	7194	7453	26193	25248	12429
<b>X.</b>	<b>GRAND TOTAL (VIII+IX )</b>	<b>1419407</b>	<b>1844167</b>	<b>2224734</b>	<b>2682214</b>	<b>2971542</b>	<b>3217563</b>	<b>3055095</b>	<b>3441960</b>	<b>3754872</b>	<b>4197652</b>	<b>4165315</b>

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India, Clearing Corporation of India

PR: Partially Revised; P: Provisional.

IFC (W): International Finance Corporation, Washington D.C.

FII: Foreign Institutional Investors

a Relates to SDR allocations from March 2004 onwards.

b Includes Financial Lease since 1996.

c Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs), Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds and securitized borrowings of commercial banks. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d Figures include accrued interest.

e Rupee denominated debt owed to Russia and payable through exports.

Note: NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.

### Annexure IV: India's External Debt Outstanding (Annual)- US Dollar

(US\$ million)												
Sl. No.	Components of External Debt	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021P
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	MULTILATERAL	48475	50452	51590	53418	52391	54000	54499	57249	57455	59919	69668
	A. Government Borrowing	42579	43686	43539	44598	43015	44170	44356	46907	46471	48354	57689
	(i) Concessional	26992	27221	26443	27173	24679	25005	24117	25256	23272	22211	22734
	a) IDA	26637	26853	26071	26770	24294	24595	23705	24789	22803	21704	22206
	b) Others	355	368	372	403	385	411	412	467	469	507	527
	(ii) Non-concessional	15587	16465	17096	17425	18336	19165	20238	21651	23199	26143	34956
	a) IBRD	8774	8897	8912	8876	9117	9244	9335	9496	9756	11058	13650
	b) Others	6813	7568	8184	8549	9219	9921	10903	12155	13443	15085	21306
	B. Non-Government Borrowing	5896	6766	8051	8820	9376	9829	10144	10342	10984	11566	11979
	(i) Concessional	0	0	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	5896	6766	8051	8820	9376	9829	10144	10342	10984	11566	11979
	a) Public Sector	3536	3808	4324	4669	5010	5319	4944	5192	5661	5465	5906
	i) IBRD	2057	2177	2355	2394	2502	2554	2558	2608	2706	2877	3013
	ii) Others	1479	1631	1969	2275	2508	2765	2386	2583	2955	2587	2893
	b) Financial Institutions	1681	2017	2650	3139	3492	3791	4595	4652	5091	5612	5609

	i) IBRD	425	531	549	635	592	899	1120	1142	1226	1150	1085
	ii) Others	1256	1486	2101	2504	2900	2892	3475	3509	3865	4462	4524
	c) Private Sector	679	941	1077	1012	874	719	605	498	233	490	464
	i) IBRD	0	0	0	0	0	0	0	0	0	0	0
	ii) Others	679	941	1077	1012	874	719	605	498	233	490	464
<b>II.</b>	<b>BILATERAL</b>	<b>25712</b>	<b>26884</b>	<b>25158</b>	<b>24727</b>	<b>21726</b>	<b>22448</b>	<b>23214</b>	<b>25382</b>	<b>25622</b>	<b>28080</b>	<b>31007</b>
	A .Government borrowing	17988	17987	16259	16099	14121	15457	16887	19857	20514	22370	24640
	(i) Concessional	17988	17987	16259	16099	14121	15457	16887	19857	20514	22370	24640
	(ii) Non-concessional	0	0	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	7724	8897	8899	8628	7605	6991	6327	5525	5108	5710	6367
	(i) Concessional	918	1501	1558	1714	1610	1786	1845	1998	2523	3309	3449
	a) Public Sector	363	974	1093	1290	1205	1359	1040	1170	1767	2504	2650
	b) Financial Institutions	555	527	465	424	405	427	805	827	755	805	798
	c) Private Sector	0	0	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	6806	7396	7341	6914	5995	5205	4482	3527	2585	2400	2918
	a) Public Sector	3087	2781	2397	2223	1846	1646	1459	1313	1021	480	523
	b) Financial Institutions	840	762	776	724	531	455	488	389	333	267	811
	c) Private Sector	2879	3853	4168	3967	3618	3105	2534	1825	1231	1654	1585
<b>III.</b>	<b>IMF<sup>a</sup></b>	<b>6308</b>	<b>6163</b>	<b>5964</b>	<b>6149</b>	<b>5488</b>	<b>5605</b>	<b>5410</b>	<b>5784</b>	<b>5523</b>	<b>5430</b>	<b>5638</b>
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>18647</b>	<b>18990</b>	<b>17760</b>	<b>15518</b>	<b>12608</b>	<b>10548</b>	<b>9625</b>	<b>9483</b>	<b>7943</b>	<b>6993</b>	<b>6514</b>
	a) Buyers' credit	16437	16790	15567	13323	10547	8286	7216	6716	5160	4106	3426
	b) Suppliers' credit	646	636	779	795	833	918	940	1040	999	942	945

	c) Export credit component of bilateral credit	1564	1564	1414	1400	1228	1344	1468	1727	1784	1945	2143
<b>V.</b>	<b>COMMERCIAL BORROWINGS</b>	<b>100476</b>	<b>120136</b>	<b>140125</b>	<b>149375</b>	<b>180295</b>	<b>180480</b>	<b>172045</b>	<b>201826</b>	<b>206574</b>	<b>219534</b>	<b>213206</b>
	a) Commercial bank loans <sup>b</sup>	58643	72946	83555	96946	101492	97585	87492	84684.1	95349	109234	110295
	b) Securitized borrowings <sup>c</sup>	41100	46686	56274	52149	78426	82533	84195	116798	110925	110019	102640
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	733	504	296	280	377	362	358	344	300	281	271
<b>VI.</b>	<b>NRI DEPOSITS<sup>d</sup></b> (Above one year maturity)	<b>51682</b>	<b>58608</b>	<b>70822</b>	<b>103845</b>	<b>115163</b>	<b>126929</b>	<b>116867</b>	<b>126182</b>	<b>130423</b>	<b>130581</b>	<b>141895</b>
<b>VII.</b>	<b>RUPEE DEBT<sup>e</sup></b>	<b>1601</b>	<b>1354</b>	<b>1258</b>	<b>1468</b>	<b>1506</b>	<b>1278</b>	<b>1228</b>	<b>1213</b>	<b>1158</b>	<b>1022</b>	<b>975</b>
	a) Defence	1437	1216	1133	1361	1407	1189	1141	1120	1084	958	913
	b) Civilian	164	138	125	107	99	89	87	83	74	64	62
<b>VIII.</b>	<b>TOTAL LONG TERM DEBT (I TO VII)</b>	<b>252901</b>	<b>282587</b>	<b>312677</b>	<b>354500</b>	<b>389177</b>	<b>401288</b>	<b>382888</b>	<b>427117</b>	<b>434697</b>	<b>451559</b>	<b>468903</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>64990</b>	<b>78179</b>	<b>96697</b>	<b>91678</b>	<b>85498</b>	<b>83504</b>	<b>88124</b>	<b>102173</b>	<b>108415</b>	<b>106878</b>	<b>101081</b>
	a) Trade-Related Credits	58463	65130	86787	81743	81631	80022	86489	100389	102409	101384	97254
	1) Above 6 Months	35347	39182	59021	54992	53405	51208	56155	66297	52476	51603	46903
	2) Up to 6 Months	23116	25948	27766	26751	28226	28814	30333	34091	49934	49781	50351
	b) FII Investment in Govt. Treasury Bills and other instruments	5424	9395	5455	5605	1167	20	40	89	1735	1723	1696

	c) Investment in Treasury Bills by foreign central banks and other international institutions etc.	50	64	82	95	114	238	243	275	263	242	266
	d) External Debt Liabilities of:	1053	3590	4373	4235	2586	3225	1352	1420	4008	3529	1865
	1) Central Bank	155	170	181	148	150	180	243	274	221	180	174
	2) Commercial banks	898	3420	4192	4087	2436	3045	1110	1146	3787	3349	1691
<b>X.</b>	<b>GRAND TOTAL (VIII+IX)</b>	<b>317891</b>	<b>360766</b>	<b>409374</b>	<b>446178</b>	<b>474675</b>	<b>484791</b>	<b>471012</b>	<b>529290</b>	<b>543112</b>	<b>558437</b>	<b>569985</b>
	<b>Memo Items :</b>											
	Concessional Debt <sup>f</sup>	<b>47499</b>	<b>48063</b>	<b>45517</b>	<b>46454</b>	<b>41916</b>	<b>43526</b>	<b>44077</b>	<b>48324</b>	<b>47466</b>	<b>48913</b>	<b>51798</b>
	Concessional Debt to total external debt (per cent)	14.9	13.3	11.1	10.4	8.8	9.0	9.4	9.1	8.7	8.8	9.1
	Short-term debt	<b>64990</b>	<b>78179</b>	<b>96697</b>	<b>91678</b>	<b>85498</b>	<b>83504</b>	<b>88124</b>	<b>102173</b>	<b>108415</b>	<b>106878</b>	<b>101081</b>
	Short-term debt to total external debt (per cent)	20.4	21.7	23.6	20.5	18.0	17.2	18.7	19.3	20.0	19.1	17.7

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India, Clearing Corporation of India

-PR: Partially Revised; P: Provisional;

IFC(W): International Finance Corporation, Washington D.C. FII: Foreign Institutional Investors

a-Relates to SDR allocations from March 2004 onwards

b-Includes Financial Lease since 1996

c-Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs), Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds and securitized borrowings of commercial banks. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d-Figures include accrued interest

e-Rupee denominated debt owed to Russia and payable through exports

f-The definition of concessional debt here includes 'concessional' categories under multilateral and bilateral debt and rupee debt under item VII.

**Note:-**NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.

### Annexure V: India's External Debt Outstanding (Quarterly)

(Rs Crore)

Sl. No.	Components of External Debt	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020 PR	Jun 2020 PR	Sep 2020 PR	Dec 2020 PR	Mar 2021 P
1	2	3	4	5	6	7	8	9	10	11
<b>I.</b>	<b>MULTILATERAL</b>	<b>396131</b>	<b>408830</b>	<b>416829</b>	<b>429040</b>	<b>448824</b>	<b>487931</b>	<b>492632</b>	<b>498817</b>	<b>506715</b>
	A. Government Borrowing	320336	330108	335977	345923	362042	398435	404509	410364	419319
	(i) Concessional	160421	159814	160099	160641	166300	169071	166334	166418	165241
	a) IDA	157188	156456	156623	157056	162506	165230	162482	162549	161408
	b) Others	3233	3358	3476	3585	3794	3841	3852	3869	3833
	(ii) Non-concessional	159915	170294	175878	185282	195742	229364	238175	243946	254077
	a) IBRD	67248	75464	75956	78658	82796	93896	97783	98756	99216
	b) Others	92667	94830	99921	106625	112946	135468	140392	145190	154862
	B. Non-Government Borrowing	75795	78722	80853	83117	86782	89496	88123	88453	87396
	(i) Concessional	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	75795	78722	80853	83117	86782	89496	88123	88453	87396
	a) Public Sector	39028	37038	37981	38653	40927	43625	42891	43227	42974
	i) IBRD	18652	19032	19517	19899	21544	21963	21340	21994	21900
	ii) Others	20375	18006	18464	18755	19383	21662	21551	21234	21075
	b) Financial Institutions	35155	40134	41327	42901	42164	42194	41652	41598	41010
	i) IBRD	8449	7864	8232	8193	8609	8763	8542	8453	7885
	ii) Others	26706	32270	33095	34708	33555	33431	33109	33144	33125

	c) Private Sector	1612	1550	1545	1563	3690	3677	3581	3628	3412
	i) IBRD	0	0	0	0	0	0	0	0	0
	ii) Others	1612	1550	1545	1563	3690	3677	3581	3628	3412
<b>II.</b>	<b>BILATERAL</b>	<b>176660</b>	<b>183849</b>	<b>187508</b>	<b>187718</b>	<b>210362</b>	<b>215329</b>	<b>215720</b>	<b>223901</b>	<b>225618</b>
	A. Government borrowing	141410	148566	152406	154124	167494	170282	169958	177354	179101
	(i) Concessional	141410	148566	152406	154124	167494	170282	169958	177354	179101
	(ii) Non-concessional	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	35250	35283	35102	33594	42868	45047	45761	46547	46517
	(i) Concessional	17389	17751	18312	18043	24776	24797	24591	25292	25069
	a) Public Sector	12182	12701	12970	13038	18751	19029	18935	19845	19265
	b) Financial Institutions	5207	5050	5342	5005	6025	5768	5656	5447	5804
	c) Private Sector	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	17861	17532	16790	15551	18092	20250	21171	21255	21448
	a) Public Sector	7048	6802	6374	5055	3618	3558	3352	3311	3843
	b) Financial Institutions	2296	2299	2234	2195	2007	4423	5804	6027	5958
	c) Private Sector	8516	8432	8182	8301	12467	12268	12015	11917	11647
<b>III.</b>	<b>IMF<sup>a</sup></b>	<b>38202</b>	<b>38116</b>	<b>38337</b>	<b>39248</b>	<b>40931</b>	<b>41335</b>	<b>41325</b>	<b>42293</b>	<b>41442</b>
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>54899</b>	<b>53744</b>	<b>54001</b>	<b>50235</b>	<b>52617</b>	<b>52081</b>	<b>52815</b>	<b>48562</b>	<b>47705</b>
	a) Buyers' credit	35692	34187	33971	30054	30952	30860	32053	26590	25185
	b) Suppliers' credit	6910	6638	6778	6779	7101	6414	5984	6550	6947
	c) Export credit component of bilateral credit	12297	12919	13253	13402	14565	14807	14779	15422	15574
<b>V.</b>	<b>COMMERCIAL BORROWINGS</b>	<b>1428897</b>	<b>147285</b>	<b>152684</b>	<b>159526</b>	<b>165419</b>	<b>159366</b>	<b>152655</b>	<b>151966</b>	<b>156629</b>

			5	5	3	5	8	1	8	5
	a) Commercial bank loans <sup>b</sup>	659541	687428	719137	767542	823472	830858	769508	775410	810719
	b) Securitized borrowings <sup>c</sup>	767283	783339	805645	825655	828604	760683	754948	742135	753585
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	2074	2088	2063	2066	2120	2127	2096	2123	1992
<b>VI.</b>	<b>NRI DEPOSITS(Above one year maturity)<sup>d</sup></b>	<b>902152</b>	<b>920651</b>	<b>941391</b>	<b>948225</b>	<b>977309</b>	<b>100170 6</b>	<b>101225 7</b>	<b>103382 5</b>	<b>102738 2</b>
	a) NR(E) RA	636491	643843	655618	661572	676338	710070	723295	742084	742720
	b) FCNR (B)	160271	167911	173552	171059	181451	169504	164354	162823	148235
	c) NRO Deposits	105390	108897	112221	115595	119521	122132	124608	128918	136428
<b>VII.</b>	<b>RUPEE DEBT<sup>e</sup></b>	<b>8007</b>	<b>7712</b>	<b>7729</b>	<b>7688</b>	<b>7704</b>	<b>7317</b>	<b>7294</b>	<b>7288</b>	<b>7162</b>
	a) Defence	7498	7229	7248	7207	7223	6862	6841	6834	6708
	b) Civilian	509	483	481	481	481	455	453	453	453
<b>VIII</b> <b>.</b>	<b>TOTAL LONG TERM DEBT (I TO VII)</b>	<b>3004948</b>	<b>308575 8</b>	<b>317264 1</b>	<b>325741 8</b>	<b>339194 4</b>	<b>339936 6</b>	<b>334859 4</b>	<b>337435 4</b>	<b>342232 0</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>749924</b>	<b>756095</b>	<b>771431</b>	<b>761060</b>	<b>805708</b>	<b>793277</b>	<b>758939</b>	<b>756347</b>	<b>742995</b>
	a) Trade - Related Credits	708379	719501	733381	729728	764291	764241	733335	727614	714863
	1) 6 Months and above/upto 1 year	362982	365721	373622	372415	389010	394309	377105	368291	344758
	2) Up to 6 months	345397	353780	359759	357314	375281	369932	356230	359323	370106
	b) FII Investment in Govt. Treasury Bills and other instruments	12003	12601	13140	13079	12990	12990	12540	12414	12467
	c) Investment in Treasury Bills by foreign central banks and international institutions etc.	1820	1853	1781	1741	1822	1780	1777	1745	1955
	d) External Debt Liabilities of:	27721	22140	23129	16513	26605	14266	11287	14573	13710

	1) Central Bank	1529	1787	1498	1380	1357	1684	1666	1366	1282
	2) Commercial banks	26193	20353	21632	15133	25248	12581	9620	13207	12429
<b>X.</b>	<b>GRAND TOTAL ( VIII+IX )</b>	<b>3754872</b>	<b>3841853</b>	<b>3944072</b>	<b>4018478</b>	<b>4197652</b>	<b>4192643</b>	<b>4107532</b>	<b>4130701</b>	<b>4165315</b>

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India.

PR: Partially Revised; P: Provisional

IFC (W): International Finance Corporation, Washington D.C

FII: Foreign Institutional Investors

a-Relates to SDR allocations from March 2004 onwards

b-Includes Financial Lease since 1996

c-Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs)

-Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds and securitized borrowings of commercial banks

-FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d-Figures include accrued interest

e-Rupee denominated debt owed to Russia and payable through exports

**Note:-**NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/ securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.

## Annexure VI: India's External Debt Outstanding (Quarterly)- US Dollar

(US\$ million)

Sl. No.	Components of External Debt	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020 PR	Jun 2020 PR	Sep 2020 PR	Dec 2020 PR	Mar 2021 P
1	2	3	4	5	6	7	8	9	10	11
<b>I.</b>	<b>MULTILATERAL</b>	<b>57455</b>	<b>58975</b>	<b>58777</b>	<b>60214</b>	<b>59919</b>	<b>64621</b>	<b>66920</b>	<b>67981</b>	<b>69668</b>
	A. Government Borrowing	46471	47601	47366	48550	48354	52769	54958	55910	57689
	(i) Concessional	23272	23045	22571	22546	22211	22392	22599	22674	22734
	a) IDA	22803	22561	22081	22043	21704	21883	22075	22147	22206
	b) Others	469	484	490	503	507	509	523	527	527
	(ii) Non-concessional	23199	24556	24795	26004	26143	30377	32359	33237	34956
	a) IBRD	9756	10882	10708	11039	11058	12436	13285	13455	13650
	b) Others	13443	13674	14087	14965	15085	17941	19074	19782	21306
	B. Non-Government Borrowing	10984	11374	11411	11664	11566	11852	11962	12070	11979
	(i) Concessional	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	10984	11374	11411	11664	11566	11852	11962	12070	11979
	a) Public Sector	5661	5343	5356	5425	5465	5777	5826	5892	5906
	i) IBRD	2706	2744	2751	2793	2877	2909	2899	2997	3013
	ii) Others	2955	2598	2604	2632	2587	2869	2927	2896	2893
	b) Financial Institutions	5091	5807	5837	6020	5612	5587	5651	5682	5609
	i) IBRD	1226	1134	1161	1150	1150	1161	1161	1152	1085

	ii) Others	3865	4673	4677	4870	4462	4427	4491	4530	4524
	c) Private Sector	233	225	219	219	490	487	485	497	464
	i) IBRD	0	0	0	0	0	0	0	0	0
	ii) Others	233	225	219	219	490	487	485	497	464
<b>II.</b>	<b>BILATERAL</b>	<b>25622</b>	<b>26521</b>	<b>26440</b>	<b>26345</b>	<b>28080</b>	<b>28518</b>	<b>29301</b>	<b>30519</b>	<b>31007</b>
	A. Government borrowing	20514	21423	21486	21631	22370	22552	23091	24164	24640
	(i) Concessional	20514	21423	21486	21631	22370	22552	23091	24164	24640
	(ii) Non-concessional	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	5108	5098	4954	4714	5710	5965	6210	6355	6367
	(i) Concessional	2523	2560	2582	2532	3309	3284	3341	3446	3449
	a) Public Sector	1767	1831	1829	1830	2504	2520	2573	2704	2650
	b) Financial Institutions	755	728	753	702	805	764	768	742	798
	c) Private Sector	0	0	0	0	0	0	0	0	0
	(ii) Non-concessional	2585	2539	2373	2182	2400	2681	2869	2910	2918
	a) Public Sector	1021	983	900	709	480	471	454	453	523
	b) Financial Institutions	333	332	315	308	267	586	786	825	811
	c) Private Sector	1231	1223	1158	1165	1654	1624	1628	1631	1585
<b>III.</b>	<b>IMF<sup>a</sup></b>	<b>5523</b>	<b>5531</b>	<b>5424</b>	<b>5501</b>	<b>5430</b>	<b>5473</b>	<b>5600</b>	<b>5730</b>	<b>5638</b>
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>7943</b>	<b>7787</b>	<b>7633</b>	<b>7049</b>	<b>6993</b>	<b>6896</b>	<b>7162</b>	<b>6638</b>	<b>6514</b>
	a) Buyers' credit	5160	4961	4806	4217	4106	4086	4343	3640	3426
	b) Suppliers' credit	999	963	959	951	942	849	811	897	945

	c) Export credit component of bilateral credit	1784	1863	1868	1881	1945	1961	2008	2101	2143
<b>V.</b>	<b>COMMERCIAL BORROWINGS</b>	<b>206574</b>	<b>213711</b>	<b>215969</b>	<b>223833</b>	<b>219534</b>	<b>211015</b>	<b>206864</b>	<b>207959</b>	<b>213206</b>
	a) Commercial bank loans <sup>b</sup>	95349	99746	101738	107689	109234	110008	104272	106143	110295
	b) Securitized borrowings <sup>c</sup>	110925	113662	113939	115854	110019	100725	102308	101526	102640
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	300	303	292	290	281	282	284	291	271
<b>VI.</b>	<b>NRI DEPOSITS (Above one year maturity)<sup>d</sup></b>	<b>130423</b>	<b>133586</b>	<b>132893</b>	<b>133138</b>	<b>130581</b>	<b>132719</b>	<b>137293</b>	<b>140496</b>	<b>141895</b>
	a) NR(E) RA	92017	93422	92552	92889	90367	94079	98101	100849	102579
	b) FCNR (B)	23170	24364	24500	24018	24244	22458	22291	22128	20473
	c) NRO Deposits	15236	15801	15842	16230	15969	16182	16901	17520	18842
<b>VII.</b>	<b>RUPEE DEBT<sup>e</sup></b>	<b>1158</b>	<b>1119</b>	<b>1093</b>	<b>1079</b>	<b>1022</b>	<b>969</b>	<b>989</b>	<b>997</b>	<b>975</b>
	a) Defence	1084	1049	1025	1011	958	909	927	936	913
	b) Civilian	74	70	68	68	64	60	62	62	62
<b>VIII.</b>	<b>TOTAL LONG TERM DEBT (I TO VII)</b>	<b>434697</b>	<b>447230</b>	<b>448230</b>	<b>457159</b>	<b>451559</b>	<b>450210</b>	<b>454129</b>	<b>460319</b>	<b>468903</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>108415</b>	<b>109709</b>	<b>109136</b>	<b>106780</b>	<b>106878</b>	<b>105032</b>	<b>102840</b>	<b>103533</b>	<b>101081</b>
	a) Trade - Related Credits	102409	104400	103753	102384	101384	101188	99371	99600	97254
	1) 6 Months and above/up to 1 year	52476	53066	52857	52251	51603	52208	51100	50414	46903
	2) Up to 6 months	49934	51334	50896	50132	49781	48980	48271	49186	50351

	b) FII Investment in Govt. Treasury Bills and other instruments	1735	1828	1859	1835	1723	1720	1699	1699	1696
	c) Investment in Treasury Bills by foreign central banks and international institutions etc.	263	269	252	244	242	236	241	239	266
	d) External Debt Liabilities of:	4008	3212	3272	2317	3529	1889	1529	1995	1865
	1) Central Bank	221	259	212	194	180	223	226	187	174
	2) Commercial banks	3787	2953	3060	2123	3349	1666	1304	1808	1691
<b>X.</b>	<b>GRAND TOTAL (VIII+IX)</b>	<b>543112</b>	<b>556939</b>	<b>557366</b>	<b>563938</b>	<b>558437</b>	<b>555242</b>	<b>556969</b>	<b>563853</b>	<b>569985</b>
	Memo Items :									
	Concessional Debt <sup>f</sup>	47466	48146	47732	47788	48913	49197	50019	51281	51798
	Concessional Debt to total external debt (per cent)	8.7	8.6	8.6	8.5	8.8	8.9	9.0	9.1	9.1
	Short-term debt	108415	109709	109136	106780	106878	105032	102840	103533	101081
	Short-term debt to total external debt (per cent)	20.0	19.7	19.6	18.9	19.1	18.9	18.5	18.4	17.7

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India

PR: Partially Revised; P: Provisional

IFC(W): International Finance Corporation, Washington D.C

FII: Foreign Institutional Investors

a-Relates to SDR allocations from March 2004 onwards

b-Includes Financial Lease since 1996

c-Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs), Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds and securitized borrowings of commercial banks. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d-Figures include accrued interest

e-Rupee denominated debt owed to Russia and payable through exports

-The definition of concessional debt here includes 'concessional' categories under multilateral and bilateral debt and rupee debt under item VII.

Note:-NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.

## Annexure VII: External Debt by Borrower Classification

(US\$ million)

Sl. No.	Components	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I.</b>	<b>Government Debt (A+B)</b>	<b>78072</b>	<b>81896</b>	<b>81654</b>	<b>83695</b>	<b>89717</b>	<b>93567</b>	<b>95779</b>	<b>111937</b>	<b>103823</b>	<b>100876</b>	<b>107225</b>
A.	Long-term (1+2):	75230	75789	77867	79914	89603	93329	95680	111662	103560	100634	106959
1	Govt. Account	62295	63374	61335	62204	58462	61060	62800	68574	68842	72734	84535
2	Other Govt. Debt (Long term)	12935	12415	16532	17710	31141	32269	32880	43088	34,717	27901	22425
B.	Other Govt. Debt (Short-term)	2842	6107	3787	3781	114	238	99	275	263	242	266
<b>II.</b>	<b>Non-Government Debt (C+D)</b>	<b>239819</b>	<b>278870</b>	<b>327720</b>	<b>362483</b>	<b>384958</b>	<b>391224</b>	<b>375233</b>	<b>417354</b>	<b>439290</b>	<b>457561</b>	<b>462759</b>
C.	Long-term (1+2):	177671	206798	234809	274586	299574	307957	287352	315456	331137	350925	361944
1	Financial Sector*	74786	85689	102261	135175	144619	159629	147174	169008	190394	194898	204607
2	Non-Financial Sector, of which	102885	121109	132548	139411	154955	148328	140178	146448	140743	156027	157337
	a. Public Sector**	16070	19180	23943	33226	33711	33385	28578	29493	34147	33335	33030
	b. Private Sector***	86815	101929	108605	106185	121244	114943	111600	116954	106596	122692	124306
D.	Short-term	62148	72072	92911	87897	85384	83267	87881	101898	108152	106636	100815
<b>III.</b>	<b>Total External Debt (I+II)</b>	<b>317891</b>	<b>360766</b>	<b>409374</b>	<b>446178</b>	<b>474675</b>	<b>484791</b>	<b>471012</b>	<b>529291</b>	<b>543112</b>	<b>558437</b>	<b>569985</b>
	Memo items:											
IV	Share of Govt. debt in total debt (%)	24.6	22.7	19.9	18.8	18.9	19.3	20.3	21.1	19.1	18.1	18.8
V	Share of Non-Govt. debt in total debt (%)	75.4	77.3	80.1	81.2	81.1	80.7	79.7	78.9	80.9	81.9	81.2

Source: Based on data from RBI, SEBI, CCIL, CAAA and Ministry of Defence

PR: Partially Revised; QE: Quick Estimates

\*Financial sector represents borrowings by banks and financial institutions and also include long-term NRI Deposits

\*\*Public sector debt represents borrowings of non- financial public sector enterprises

\*\*\*Private sector debt represents borrowings of non- financial private sector enterprises

**Annexure VIII: Instrument-wise Classification of External Debt Outstanding at End-March 2021**

(US\$ Million)

Sl. No.	Borrower	Creditor	INSTRUMENTS				
			Bonds & Notes	Loans	Trade Credits	Deposits	Total
1	2	3	4	5	6	7	8
<b>I</b>	<b>Government:</b>		<b>16001</b>	<b>83177</b>	<b>2143</b>	<b>5638</b>	<b>106959</b>
	1	Multilateral		57689			57689
	2	Bilateral		24640			24640
	3	IMF (SDR)				5638	5638
	4	Export Credit			2143	0	2143
	5	Commercial <sup>a</sup>	16001				16001
	6	Rupee Debt		848			848
<b>II</b>	<b>Financial Sector<sup>b</sup>:</b>		<b>22814</b>	<b>39898</b>	<b>0</b>	<b>141895</b>	<b>204607</b>
	1	Multilateral		4445			4445
	2	Bilateral		1624			1624
	3	Export Credit		50			50
	4	Commercial	22814	33779			56593
	5	NRI Deposits				141895	141895
<b>III</b>	<b>Non-Financial Public Sector</b>		<b>6657</b>	<b>26374</b>	<b>0</b>	<b>0</b>	<b>33030</b>
	1	Multilateral		6220			6220
	2	Bilateral		3211			3211
	3	Export Credit		256			256
	4	Commercial	6657	16559			23215
	5	Rupee Debt		127			127
<b>IV</b>	<b>Non-Financial Private Sector:</b>		<b>49264</b>	<b>74097</b>	<b>945</b>	<b>0</b>	<b>124306</b>
	1	Multilateral		1313			1313
	2	Bilateral		1531			1531
	3	Export Credit		3120	945		4065
	4	Commercial	49264	68132*			117396
<b>V.</b>	<b>Total Long Term External Debt: (I to IV)</b>		<b>94736</b>	<b>223546</b>	<b>3088</b>	<b>147533</b>	<b>468903</b>
	1	Multilateral	0	69668	0	0	69668
	2	Bilateral	0	31007	0	0	31007

	3	IMF	0	0	0	5638	5638
	4	Export Credit	0	3426	3088	0	6514
	5	Commercial	94736	118470	0	0	213206
	6	NRI Deposits	0	0	0	141895	141895
	7	Rupee Debt	0	975	0	0	975
<b>VI</b>	<b>Total Short Term External Debt:</b>		<b>1962</b>	<b>0</b>	<b>97254</b>	<b>1865</b>	<b>101081</b>
		Export Credit			97254		97254
		Commercial	1962			1865	3827
Memo Items:							
<b>Borrower Category</b>							
I	Government:		16001	83177	2143	5638	106959
II	Financial Sector:		22814	39898	0	141895	204607
III	Non-Financial Public Sector		6657	26374	0	0	33030
IV	Non-Financial Private Sector		49264	74097	945	0	124306
V	<b>Total Long-Term Debt:</b>		94736	223546	3088	147533	468903
VI	Government:		266				266
VII	Financial Sector:		1696			1865	3561
VIII	Non-Financial Sector				97254		97254
IX	Total Short Term Debt		1962	0	97254	1865	101081

\* Includes Inter Company Lending

Note: The central bank, i.e., Reserve Bank of India has no external debt liability.--

a: Includes investment by FII in Central Government domestic debt securities and treasury bills.

b: Financial sector includes financial development institutions, commercial banks and non-banking financial companies.

## Annexure IX: Composition of External Debt: Currency-Wise

(Per cent)

Currency	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12
US Dollar	55.3	56.9	59.1	61.1	58.3	57.1	52.1	49.5	50.4	53.6	52.1
Indian Rupee	18.8	20.5	22.9	21.8	27.8	28.9	33.6	35.8	35.7	31.9	33.3
SDR	9.4	8.3	7.2	6.8	5.8	5.8	5.8	5.5	4.9	4.5	4.4
Japanese Yen	10.9	8.7	6.1	5	4	4.4	4.6	4.7	5.0	5.6	5.8
Euro	3.6	3.7	3.4	3.3	2.3	2.5	2.9	3.4	3.1	3.5	3.5
Pound Sterling	1.6	0.9	0.7	1.1	0.9	0.8	0.6	0.6	0.5	0.4	0.4
Others	0.4	1	0.6	0.9	0.9	0.5	0.4	0.5	0.4	0.4	0.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Based on data from RBI, CAAA, SEBI, CCIL and Ministry of Defence

PR: Partially Revised; P: Provisional

### Annexure X: Short-term debt by residual maturity

(US\$ Billion)

Year (End-March)	Short-term debt (Original Maturity)	Long-term debt repayment obligations maturing in one year	Post facto Short-term debt Residual Maturity (2+3)	Ratio of residual short-term debt to total debt (per cent)	Ratio of residual short-term debt to Foreign Currency Assets (Per cent)	Ratio of residual short-term debt to Foreign Exchange Reserves (Per cent)
1	2	3	4	5	6	7
2011	65	64	129	40.6	47.0	42.3
2012	78	69	147	40.9	56.7	50.1
2013	97	76	172	42.1	66.4	59.0
2014	92	85	177	39.7	64.1	58.2
2015	85	97	183	38.5	57.6	53.5
2016	84	123	207	42.7	61.6	57.4
2017	88	108	196	41.6	56.6	52.9
2018	102	120	222	42.0	55.6	52.3
2019	108	127	236	43.4	61.1	57.0
2020 PR	107	130	237	42.4	53.5	49.5
2021P	101	153	254	44.6	47.4	44.1

Source: RBI

PR: Partially Revised; P: Provisional

### Annexure XI: India's External Debt Service Payments - Source-wise

(US\$ Million)

Sl. No.	Source	Component	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 PR	2020-21 P
1	2	3	4	5	6	7	8	9	10	11
1	External Assistance <sup>a</sup>		4,078	4,354	4,771	5,071	5,672	6,380	6,918	6,956
		Repayments	3,383	3,667	4,099	4,251	4,650	5,073	5,466	5,649
		Interest	695	688	672	820	1,022	1,307	1,452	1,308
2	Commercial Borrowings		23,399	31,994	33,586	32,562	33,379	28,076	28,641	37,781
		Repayments	17,702	26,004	26,716	25,642	25,386	18,531	17,971	28,285
		Interest	5,697	5,990	6,871	6,920	7,993	9,545	10,670	9,496
3	Non-resident Deposits		4,784	5,973	5,901	5,612	5,495	6,434	6,508	4,609
		Interest	4,784	5,973	5,901	5,612	5,495	6,434	6,508	4,609
4	Rupee Debt Service		52	81	73	99	75	31	69	64
		Repayments	52	81	73	99	75	31	69	64
5	Total Debt Service		32,312	42,402	44,331	43,344	44,621	40,921	42,136	49,410
		Repayments	21,136	29,751	30,888	29,992	30,111	23,635	23,507	33,998
		Interest	11,176	12,650	13,443	13,351	14,510	17,286	18,629	15,413
Memo Items:										
	Current Receipts		5,51,410	5,57,868	5,00,972	5,21,921	5,92,050	6,43,472	6,41,982	6,03,410
	Debt Service Ratio (%)		5.9	7.6	8.8	8.3	7.5	6.4	6.6	8.2
	Interest to Current Receipts Ratio (%)		2.0	2.3	2.7	2.6	2.5	2.7	2.9	2.6

Source: RBI; PR: Partially Revised. P: Provisional.

a: Inclusive of non-government account figures supplied by the Office of Controller of Aid Accounts & Audit, DEA, Ministry of Finance.

## Annexure XII: India's External Debt Service Payments by Creditor Categories

(US\$ million)

Creditor Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 PR	2020-21 P
1	2	3	4	5	6	7	8	9
<b>Multilateral :</b>	<b>3005</b>	<b>3395</b>	<b>3956</b>	<b>4823</b>	<b>4975</b>	<b>5677</b>	<b>5688</b>	<b>5330</b>
Principal	2548	2914	3384	4062	4016	4354	4375	4240
Interest	457	481	572	761	960	1322	1314	1090
<b>Bilateral :</b>	<b>2480</b>	<b>2526</b>	<b>2374</b>	<b>2726</b>	<b>2765</b>	<b>2652</b>	<b>2357</b>	<b>2227</b>
Principal	1926	2003	1870	2189	2283	2025	1928	1739
Interest	554	523	504	537	482	627	429	488
<b>Export Credit :</b>	<b>3855</b>	<b>4129</b>	<b>3018</b>	<b>2292</b>	<b>1908</b>	<b>1956</b>	<b>1310</b>	<b>1650</b>
Principal	3276	3565	2517	1842	1482	1414	1038	1506
Interest	579	564	501	450	426	542	272	144
<b>Commercial Borrowings*:</b>	<b>18136</b>	<b>26299</b>	<b>29009</b>	<b>27792</b>	<b>29403</b>	<b>24171</b>	<b>26204</b>	<b>35530</b>
Principal	13335	21189	23044	21800	22256	15810	16097	26449
Interest	4801	5110	5965	5992	7147	8361	10106	9082
<b>NRI Deposits :</b>	<b>4784</b>	<b>5972</b>	<b>5901</b>	<b>5612</b>	<b>5495</b>	<b>6434</b>	<b>6508</b>	<b>4609</b>
Interest <sup>a</sup>	4784	5972	5901	5612	5495	6434	6508	4609
<b>Rupee Debt :</b>	<b>52</b>	<b>81</b>	<b>73</b>	<b>99</b>	<b>75</b>	<b>31</b>	<b>69</b>	<b>64</b>
Principal	52	81	73	99	75	31	69	64
<b>Total Debt Service:</b>	<b>32312</b>	<b>42402</b>	<b>44331</b>	<b>43344</b>	<b>44621</b>	<b>40921</b>	<b>42136</b>	<b>49411</b>
Principal	21137	29752	30888	29992	30111	23635	23507	33998

Interest	11175	12650	13443	13352	14510	17286	18629	15413
<b>Memo items:</b>								
Current Receipts	551410	557868	500972	520848	592050	643472	641982	603410
Debt Service Ratio (%)	5.9	7.6	8.8	8.3	7.5	6.4	6.6	8.2
Interest to Current Receipts Ratio (%)	2.0	2.3	2.7	2.6	2.5	2.7	2.9	2.6

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, RBI, SEBI.

a: Interest payments on NRI Deposits include both long term and short-term external debt component of NRI Deposits.

\*Commercial borrowings includes total of ECB through bank loans and securitised instruments

PR: Partially Revised, QE: Quick Estimates.-

Note:-1) This corresponds to the creditor-wise debt outstanding i.e. major heads of debt outstanding as per Annex 3 & 4.

2) Figures for debt service and interest payments is calculated on cash payment basis except for Non-Resident Indian Deposits for which accrual method is used. The estimates may, therefore, differ from BOP data compilation methodology.

**Annexure XIII: International Comparison of Top Low and Middle Income Debtor Countries, 2019**

Sl. No.	Country	External debt stocks (US\$ million)	Present value of debt (US\$ million)	Total external debt to exports of goods and services (%)	Ratio of present value of debt to exports of goods and services (%)	Ratio of total external debt to GNI (%)	Ratio of present value of debt to GNI (%)	Short-term debt (US\$ million)	Ratio of foreign exchange reserves/ total debt (%)	Ratio of short term debt to total debt (%)	Short term debt to Foreign Exchange Reserves (%)
1	2	3	4	5	6	7	8	9	10	11	12
1	China	2114163	263466	73.4	9.2	14.8	1.8	1205312	147.9	57	38.5
v2	Brazil	569398	220429	199.6	77.3	31.8	12.3	79935	62.1	14	22.6
3	India	560035	171000	98.4	30	19.7	6	106780	77.2	19.1	24.7
4	Mexico	469729	393673	92.6	77.6	38.1	31.9	62693	37.7	13.3	35.4
5	Turkey	440783	140241	174.8	55.6	58.9	18.7	123102	17.8	27.9	156.9
6	Indonesia	402084	240908	193.8	116.1	37	22.2	44799	31.2	11.1	35.7
7	Argentina	279306	214666	326.2	250.7	65.3	50.2	67262	15.1	24.1	159.5
8	South Africa	187667	76102	166.2	67.4	55	22.3	34419	26.1	18.3	70.3
9	Thailand	180230	34487	53.7	10.3	34.4	6.6	59949	120.3	33.3	27.6
10	Venezuela, RB	168074	42285	NA	NA	NA	NA	51167	NA	30.4	NA
11	Kazakhstan	156263	29059	228.3	42.4	98.3	18.3	8989	6.5	5.8	88.5
12	Colombia	138695	88540	233.6	149.1	44.2	28.2	15928	37.5	11.5	30.6
13	Ukraine	123843	55851	161.1	72.7	78.1	35.2	22025	19.4	17.8	91.7
14	Vietnam	117344	49964	41.5	17.7	47.6	20.3	24397	66.8	20.8	31.1

15	Egypt, Arab Rep.	115080	97843	210.9	179.3	39.4	33.5	11284	35.4	9.8	27.7
16	Pakistan	100819	72232	324	232.2	37	26.5	9526	13.3	9.4	71.0
17	Philippines	83661	48628	77.6	45.1	20.2	11.7	17208	95.4	20.6	21.6
18	Lebanon	73985	41445	352	197.2	144.9	81.2	4963	51.6	6.7	13.0
19	Peru	64204	23865	112.1	41.7	29.7	11	8541	102.8	13.3	12.9
20	Bangladesh	57088	30826	126.5	68.3	18	9.7	9737	56.1	17.1	30.4

Note: The order of the countries is the ranking of total external debt stock appearing in column No.3.

Source: International Debt Statistics, 2021 and Quarterly Debt Statistics, World Bank

### Annexure XIV: Gross External Debt Position of Top Twenty Developing Countries

(US\$ million)

Sl. No.	Countries	2019 Q4 (End-December 2019)					2020 Q3 (End-September 2020)				2020 Q4 (End-December 2020)				
		Short-term	Long-term	Total	Short-Term Debt to Total Debt (3/5) (%)	External Debt to GDP ratio	Short-term	Long-term	Total	Short-Term Debt to Total Debt (8/10) (%)	Short-term	Long-term	Total	Ratio of Short-Term Debt to Total Debt (12/14) (%)	External Debt to GDP Ratio
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	China	1146708	924102	2070810	55.4	14.4	1234101	1074219	2308320	53.5	1236231	1164575	2400807	51.5	16.3
2	Brazil	79179	596609	675789	11.7	36.0	76157	545404	621561	12.3	68983	570325	639308	10.8	44.6
3	India	106781	457160	563941	18.9	19.6	102840	453857	556697	18.5	103533	459954	563487	18.4	20.8
4	Mexico	62693	401559	464252	13.5	36.6	50179	401903	452081	11.1	49296	413196	462492	10.7	43.0
5	Turkey	122722	311782	434503	28.2	57.1	133249	302746	435995	30.6	138223	311824	450048	30.7	62.5
6	Indonesia	44445	359215	403660	11.0	36.0	44031	364654	408685	10.8	45643	371884	417527	10.9	39.4
7	Argentina	65109	213380	278489	23.4	62.7	39095	229902	268997	14.5	39536	231969	271505	14.6	69.9
8	Thailand	50814	121070	171885	29.6	31.6	52285	119348	171632	30.5	64395	125615	190010	33.9	37.9
9	South Africa	34540	150817	185357	18.6	52.8	27928	128934	156862	17.8	27788	143048	170836	16.3	56.5
10	Kazakhstan	8801	149760	158561	5.6	87.3	9506	151410	160917	5.9	9999	153361	163361	6.1	99.1
11	Colombia	15635	122453	138088	11.3	42.7	14337	133541	147879	9.7	14177	140791	154968	9.1	57.1
12	Egypt	11284	101386	112671	10.0	37.3	12324	113014	125338	9.8	11959	117237	129196	9.3	35.7

13	Ukraine	16236	105503	121739	13.3	79.1	16034	106146	122180	13.1	17261	108429	125690	13.7	82.9
14	Pakistan	9256	101464	110719	8.4	40.1	7226	106572	113798	6.3	6982	108774	115756	6.0	44.0
15	Peru	8567	55640	64207	13.3	27.8	9737	59562	69299	14.1	10284	63199	73483	14.0	36.1
16	Philippines	17208	66410	83618	20.6	22.2	11206	80773	91979	12.2	14209	84279	98488	14.4	27.2
17	Bangladesh	9737	50552	60290	16.2	19.9	9526	58014	67540	14.1	10986	59685	70671	15.5	21.5
18	Morocco	8695	45969	54665	15.9	45.7	8010	53681	61692	13.0	8146	57318	65464	12.4	57.7
19	Sri Lanka	8250	47666	55916	14.8	66.6	7944	42609	50553	15.7	8194	41017	49212	16.7	61.0
20	Lebanon	0	33633	33633	0	64.0	0	33645	33645	0.0	0	33676	33676	0.0	176.1

#### External Debt Position of BRICS

Sl. No.	Countries	2019 Q4 (End-December 2019)					2020 Q3 (End-September 2020)				2020 Q4 (End-December 2020)				
		Short-term	Long-term	Total	Ratio of Short-Term Debt to Total Debt (3/5) (%)	External Debt to GDP ratio	Short-term	Long-term	Total	Ratio of Short-Term Debt to Total Debt (3/5) (%)	Short-term	Long-term	Total	Ratio of Short-Term Debt to Total Debt (7/9) (%)	External Debt to GDP Ratio
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	China	1146708	924102	2070810	55.4	14.4	1234101	1074219	2308320	53.5	1236231	1164575	2400807	51.5	16.3

2	Brazil	79179	596609	675789	11.7	36.0	76157	545404	621561	12.3	68983	570325	639308	10.8	44.6
3	India	106781	457160	563941	18.9	19.6	102840	453857	556697	18.5	103533	459954	563487	18.4	20.8
4	Russian Federation	58068	433350	491418	11.8	29.1	58383	404831	463214	12.6	57873	409988	467861	12.4	31.7
5	South Africa	34540	150817	185357	18.6	52.8	27928	128934	156862	17.8	27788	143048	170836	16.3	56.5

Note: The order of the countries' is the ranking of total external debt stock appearing in column no. 14.

Source: Quarterly External Debt Statistics (QEDS) and World Economic Outlook (WEO), IMF

## Annexure XV: External Debt Position of Top 20 debtor countries in the World

(US\$ million)

S. No.	Countries	2019 Q4 (End-December)				2020 Q3 (End-September)			2020 Q4 (End-December)			
		Short term	Long term	Total	ED to GDP	Short term	Long term	Total	Short term	Long term	Total	ED to GDP
1	2	3	4	5	6	7	8	9	10	11	12	13
1	United States	6406192	14194474	20600666	96.1	7128511	14186144	21314655	7189986	14168357	21358343	102.0
2	United Kingdom**	5671578	3169068	8840646	312.0	6038266	3223926	9262192	6038266	3223926	9262192	341.7
3	France	2596136	3672228	6268363	230.7	3058487	4041549	7100036	3164220	4184219	7348439	282.8
4	Germany	2003229	3617527	5620756	145.6	2405738	4096043	6501780	2506393	4257550	6763943	177.9
5	Japan	2962131	1277037	4239168	82.3	3385453	1359344	4744798	3391147	1387723	4778871	94.7
6	Netherlands	1017912	3293054	4310967	475.2	1160489	3366112	4526601	1131368	3372036	4503404	495.1
7	Luxembourg	886983	3203600	4090583	5752.2	978550	2923951	3902502	1036107	2981589	4017696	5488.3
8	Ireland*	689071	2162973	2852044	715.9	706917	2170670	2877587	706917	2170670	2877587	687.2
9	Italy	892227	1615226	2507452	125.1	1039769	1653712	2693480	1093308	1758870	2852178	151.3
10	Spain	883050	1499690	2382740	171.0	1024450	1566999	2591449	1085207	1658801	2744008	214.7
11	Canada	816011	1405807	2221818	127.6	753961	1514823	2268784	901027	1547195	2448223	149.0
12	China	1146708	924102	2070810	14.4	1234101	1074219	2308320	1236231	1164575	2400807	16.3
13	Switzerland	1018931	966054	1984984	271.1	1196077	977802	2173879	1260016	1012278	2272295	304.0
14	Hong Kong SAR, China	1098531	576833	1675364	458.1	1121780	596304	1718084	1173513	609586	1783099	510.3
15	Singapore	1107309	472546	1579855	422.0	1089660	525511	1615171	1137106	535052	1672158	491.8
16	Australia	343527	1195069	1538595	110.6	318205	1241428	1559685	334463	1337661	1672124	123.0

17	Belgium	441747	856720	1298467	243.5	457855	983994	1441849	470360	1016969	1487329	289.9
18	Austria	173401	513037	686438	154.2	189125	548700	737825	192688	566908	759596	177.2
19	Norway	238764	429181	667945	164.7	226457	437134	663591	258994	462168	721162	199.2
20	Finland	204745	400161	604906	224.9	232949	429966	662915	208045	441520	649565	240.0

\* ED for 2020 Q2; \*\* ED for 2020Q3.

The order of the countries' is the ranking of total external debt stock appearing in column no.12.

United Kingdom is not listed as 2020 Q4 data is not available.

Source: QEDS, World Bank

### Annexure XVI: Creditor-wise Sovereign External Debt

(Rs. crore)

Sl. No.	Category	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	<b>ED on Govt. Account under EA (A+B)</b>	<b>278455</b>	<b>322890</b>	<b>332004</b>	<b>374483</b>	<b>366193</b>	<b>406589</b>	<b>408108</b>	<b>445289</b>	<b>474551</b>	<b>544582</b>	<b>614447</b>
A.	<b>Multilateral (1 to 5)</b>	<b>190326</b>	<b>222578</b>	<b>235671</b>	<b>268490</b>	<b>269430</b>	<b>294122</b>	<b>288260</b>	<b>304595</b>	<b>320336</b>	<b>362042</b>	<b>419319</b>
1	IDA	119067	136815	141119	161164	152170	163771	154050	160970	157188	162506	161408
2	IBRD	39218	45328	48239	53433	57107	61553	60681	61663	67248	82796	99216
3	ADB	30455	38560	44301	51469	57743	66063	70151	76809	87612	103062	117207
4	IFAD	1398	1662	1789	2182	2145	2458	2423	2786	3003	3578	3638
5	Others	188	213	223	242	265	277	955	2368	5284	10100	37849
B.	<b>Bilateral (6 to 11)</b>	<b>88129</b>	<b>100312</b>	<b>96333</b>	<b>105993</b>	<b>96763</b>	<b>112467</b>	<b>119848</b>	<b>140694</b>	<b>154215</b>	<b>182540</b>	<b>195128</b>
6	Japan	65907	76401	73120	79825	75253	90112	97433	112650	122498	144456	147581
7	Germany	11899	13765	13826	16085	12611	13575	12597	15398	15466	17433	22928
8	United States	1489	1516	1460	1453	1329	1215	1010	846	725	605	425
9	France	1750	1657	1514	2517	2058	2467	2957	4345	4913	6422	8469
10	Russian Federation	7062	6953	6397	6099	5504	5094	5848	7453	10611	13621	15722
11	Others	22	20	16	14	8	4	3	2	2	2	2
II.	<b>OGD [C+D]</b>	<b>70439</b>	<b>94752</b>	<b>110514</b>	<b>129116</b>	<b>195083</b>	<b>214765</b>	<b>213882</b>	<b>281599</b>	<b>241964</b>	<b>212153</b>	<b>166787</b>
C.	<b>OGD (Long-term)</b>	<b>57748</b>	<b>63511</b>	<b>89918</b>	<b>106391</b>	<b>194369</b>	<b>214051</b>	<b>213240</b>	<b>279813</b>	<b>240143</b>	<b>210331</b>	<b>164832</b>
D.	<b>OGD (Short-term)</b>	<b>12691</b>	<b>31241</b>	<b>20596</b>	<b>22725</b>	<b>714</b>	<b>714</b>	<b>642</b>	<b>1786</b>	<b>1820</b>	<b>1822</b>	<b>1955</b>
III.	<b>Total Government ED (I+II)</b>	<b>348894</b>	<b>417642</b>	<b>442518</b>	<b>503599</b>	<b>561276</b>	<b>621354</b>	<b>621990</b>	<b>726888</b>	<b>716515</b>	<b>756735</b>	<b>781234</b>
IV.	<b>Total External Debt</b>	<b>1419407</b>	<b>1844167</b>	<b>2224734</b>	<b>2682214</b>	<b>2971542</b>	<b>3217563</b>	<b>3055095</b>	<b>3441960</b>	<b>3754872</b>	<b>4197652</b>	<b>4165315</b>
<b>Memo Items:</b>												

a)	Total Govt. ED to GDP (%)	4.5	4.6	4.4	4.5	4.4	4.5	4.2	4.3	3.8	3.7	4.0
b)	Total EA (Govt. Account) to GDP (%)	3.6	3.6	3.3	3.3	2.9	3	2.7	2.6	2.5	2.7	3.1

Source: Based on data received from RBI, CCIL, CAAA and Ministry of Defence

ED: External Debt; EA: External Assistance.

PR: Partially Revised; P: Provisional

# Annexure XVII: Creditor-wise Sovereign External Debt

(US\$ million)

Sl.	Category	At end-March										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I.</b>	<b>External Debt on Govt. Account under External Assistance (A+B)</b>	<b>62295</b>	<b>63374</b>	<b>61335</b>	<b>62204</b>	<b>58462</b>	<b>61060</b>	<b>62800</b>	<b>68574</b>	<b>68842</b>	<b>72734</b>	<b>84535</b>
<b>A</b>	<b>Multilateral (1 to 5)</b>	<b>42579</b>	<b>43686</b>	<b>43538</b>	<b>44598</b>	<b>43014</b>	<b>44170</b>	<b>44358</b>	<b>46907</b>	<b>46471</b>	<b>48354</b>	<b>57689</b>
	<i>Multilateral Credit as % of Govt. Account debt</i>	<i>68.4</i>	<i>68.9</i>	<i>71.0</i>	<i>71.7</i>	<i>73.6</i>	<i>72.3</i>	<i>70.6</i>	<i>68.4</i>	<i>67.5</i>	<i>66.5</i>	<i>68.2</i>
	1. IDA	26637	26853	26071	26771	24293	24594	23705	24789	22803	21704	22206
	2. IBRD	8774	8897	8912	8876	9117	9244	9338	9496	9756	11058	13650
	3. ADB	6813	7568	8184	8549	9219	9921	10795	11828	12710	13765	16125
	4. IFAD	313	326	330	362	342	369	373	429	436	478	501
	5. Others	42	42	41	40	43	42	147	365	767	1349	5207
<b>B</b>	<b>Bilateral (6 to 12) <sup>a</sup></b>	<b>19716</b>	<b>19688</b>	<b>17797</b>	<b>17606</b>	<b>15448</b>	<b>16890</b>	<b>18442</b>	<b>21667</b>	<b>22372</b>	<b>24380</b>	<b>26845</b>
	<i>Bilateral Credit as % of Govt. Account debt</i>	<i>31.6</i>	<i>31.1</i>	<i>29.0</i>	<i>28.3</i>	<i>26.4</i>	<i>27.7</i>	<i>29.4</i>	<i>31.6</i>	<i>32.5</i>	<i>33.5</i>	<i>31.8</i>
	6. Japan	14745	14995	13508	13259	12014	13533	14993	17348	17771	19293	20304
	7. Germany	2662	2702	2554	2672	2013	2039	1938	2371	2244	2328	3154
	8. United States	333	298	270	241	212	182	155	130	105	81	59
	9. France	392	325	280	418	329	371	455	669	713	858	1165
	11. Russian Federation	1579	1365	1182	1013	879	764	900	1148	1539	1819	2163
	12. Others	5	3	3	3	1	1	1	0	0	0	0
<b>II.</b>	<b>Total OGD Debt (C+D)</b>	<b>15777</b>	<b>18522</b>	<b>20318</b>	<b>21491</b>	<b>31255</b>	<b>32507</b>	<b>32979</b>	<b>43363</b>	<b>34980</b>	<b>28142</b>	<b>22691</b>
<b>C.</b>	<b>OGD (Long term)</b>	<b>12935</b>	<b>12415</b>	<b>16532</b>	<b>17710</b>	<b>31141</b>	<b>32269</b>	<b>32880</b>	<b>43088</b>	<b>34717</b>	<b>27901</b>	<b>22425</b>
<b>D.</b>	<b>OGD (Short-term)</b>	<b>2842</b>	<b>6107</b>	<b>3786</b>	<b>3781</b>	<b>114</b>	<b>238</b>	<b>99</b>	<b>275</b>	<b>263</b>	<b>242</b>	<b>266</b>

<b>III.</b>	<b>Total Sovereign External Debt (I+II)</b>	<b>78072</b>	<b>81896</b>	<b>81653</b>	<b>83695</b>	<b>89717</b>	<b>93567</b>	<b>95779</b>	<b>111937</b>	<b>103823</b>	<b>100876</b>	<b>107225</b>
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Source: Based on the data from RBI, CAAA, CCIL and Ministry of Defence

a: Includes civilian component of rupee debt

PR: Partially Revised; P: Provisional

## Annexure XVIII: Currency Composition of Sovereign External Debt

											(Per cent)
Currency	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12
US dollar	26.7	25.9	26.3	26.2	24.4	24	24.4	22.12	25.8	29.8	37.0
SDR	38.1	36.8	36	37.4	30.8	30.2	28.5	25.8	25.5	24.9	23.5
Indian rupee	12.4	15.3	17.7	16.3	28.8	28.7	28.9	33.65	28.4	22.5	15.9
Japanese yen	18.9	18.3	16.5	16.3	13.4	14.5	15.7	15.5	17.1	19.1	18.9
Euro	3.9	3.7	3.5	3.8	2.6	2.6	2.5	2.94	3.2	3.7	4.6
Pound sterling	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100	100

Source: Based on data received from RBI, CAAA, SEBI and Ministry of Defence.

PR: Partially revised; P: Provisional

## Annexure XIX: Sovereign External Debt Service Payments

(US\$ million)

Sl. No.	Debt Service Payments	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 PR	2020-21 P
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I.</b>	<b>Debt Service Payments under Government Account (A+B)</b>	<b>3340</b>	<b>3354</b>	<b>3718</b>	<b>3655</b>	<b>3890</b>	<b>4091</b>	<b>4823</b>	<b>5023</b>	<b>5632</b>	<b>5770</b>	<b>5915</b>
<b>A</b>	<b>Multilateral (i + ii)</b>	<b>1846</b>	<b>1859</b>	<b>2161</b>	<b>2272</b>	<b>2626</b>	<b>2935</b>	<b>3500</b>	<b>3719</b>	<b>4241</b>	<b>4363</b>	<b>4283</b>
	i. Principal	1529	1545	1789	1944	2306	2600	3001	3092	3382	3411	3503
	ii. Interest <sup>a</sup>	317	314	372	328	320	335	499	627	860	952	780
<b>B</b>	<b>Bilateral (iii +iv)</b>	<b>1494</b>	<b>1495</b>	<b>1557</b>	<b>1383</b>	<b>1264</b>	<b>1156</b>	<b>1323</b>	<b>1304</b>	<b>1391</b>	<b>1407</b>	<b>1631</b>
	iii. Principal	1105	1122	1186	1067	983	901	1031	1017	1077	1115	1273
	iv. Interest	389	373	371	316	281	255	292	287	314	292	358
<b>II.</b>	<b>OGD Service Payments (v+ vi)</b>	<b>69</b>	<b>79</b>	<b>58</b>	<b>52</b>	<b>81</b>	<b>73</b>	<b>99</b>	<b>75</b>	<b>31</b>	<b>558</b>	<b>363</b>
	v. Principal	69	79	58	52	81	73	99	75	31	81	76
	vi. Interest	0	0	0	0	0	0	0	0	0	478	288
<b>III.</b>	<b>Total Government ED Service Payments (I+II)</b>	<b>3409</b>	<b>3433</b>	<b>3776</b>	<b>3707</b>	<b>3971</b>	<b>4164</b>	<b>4922</b>	<b>5098</b>	<b>5663</b>	<b>6328</b>	<b>6278</b>
	vii. Total Principal (i+ iii + v)	2703	2746	3033	3063	3370	3574	4130	4184	4491	4607	4852
	viii. Total Interest (ii + iv + vi)	706	687	743	644	601	590	792	914	1173	1721	1426

PR: Partially Revised; P: Provisional.

Note: 1. Debt service payments on account of FII investment in Government securities and defence debt are not included till 2018-19

2. Debt service payments on account of Investment in Treasury Bills by foreign central banks and international institutions etc. and SDR are not included.

a: Though IDA loans are interest-free, the service charges associated with it are treated as 'interest payments'.

## Annexure XX: Central Government Guarantees on External Debt

(US\$ million)

Sl. No.	Component	At end-March										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PR	2021 P
1	2	3	4	5	6	7	8	9	10	11	12	13
1	<b>Government Debt</b>	<b>78072</b>	<b>81896</b>	<b>81654</b>	<b>83695</b>	<b>89717</b>	<b>93567</b>	<b>95779</b>	<b>111937</b>	<b>103823</b>	<b>100876</b>	<b>107225</b>
2	<b>Non-Government Debt</b>	<b>239819</b>	<b>278870</b>	<b>327720</b>	<b>362483</b>	<b>384958</b>	<b>391224</b>	<b>375233</b>	<b>417354</b>	<b>439290</b>	<b>457561</b>	<b>462759</b>
3	of which with Government Guaranteed*: (a+b+c)	8563	9361	9536	9913	9577	10086	10171	10540	11420	11469	11673
	a. Financial Sector	2748	2794	2748	2741	2448	2657	3791	3315	3133	3552	3486
	b. Public Sector	5757	6534	6777	7172	7129	7411	6236	7004	7957	7917	8188
	c. Private Sector	58	33	11	0	0	18	144	221	330	0	0
4	<b>Total External Debt (1+2)</b>	<b>317891</b>	<b>360766</b>	<b>409374</b>	<b>446178</b>	<b>474675</b>	<b>484791</b>	<b>471012</b>	<b>529291</b>	<b>543112</b>	<b>558437</b>	<b>569985</b>
5	<b>Government and Government Guaranteed Debt (1+3)</b>	<b>86635</b>	<b>91257</b>	<b>91190</b>	<b>93608</b>	<b>99294</b>	<b>103523</b>	<b>105950</b>	<b>122477</b>	<b>115243</b>	<b>112345</b>	<b>118899</b>
Memo items:												
a.	Govt. and Government Guaranteed Debt to Total External Debt (Per cent)	27.3	25.3	22.3	21	20.9	21.4	22.5	23.1	21.2	20.1	20.9
b.	Govt. Guaranteed Debt to Total External Debt (Per cent)	2.7	2.6	2.3	2.2	2	2.1	2.1	2.0	2.1	2.1	2.0
c.	Govt. Guaranteed to Total Non-Govt. Debt (Per cent)	3.6	3.4	2.9	2.7	2.5	2.6	2.6	2.5	2.6	2.5	2.5

Source: Based on the data from RBI, CAAA, SEBI, CCIL and Ministry of Defence

PR: Partially Revised; P: Provisional

\* Direct Credit guarantees on non-government external debt provided by the Central Government.

## Annexure XXI: Creditor-wise External Debt Service Payments on Government Account under Eternal Assistance

(US\$ million)

Sl. No.	Component	2015-16			2016-17			2017-18			2018-19			2019-20 PR			2020-21 P		
		Princ ipal	Inte rest	Total	Princ ipal	Inte rest	Total	Princ ipal	Inte rest	Total	Princ ipal	Inter est	Total	Princ ipal	Inter est	Total	Princ ipal	Inter est	Total
<b>I.</b>	<b>ED on Govt. a/c under EA (A+B)</b>	<b>3501</b>	<b>590</b>	<b>4091</b>	<b>4032</b>	<b>791</b>	<b>4823</b>	<b>4110</b>	<b>913</b>	<b>5023</b>	<b>4459</b>	<b>1173</b>	<b>5632</b>	<b>4526</b>	<b>1243</b>	<b>5770</b>	<b>4776</b>	<b>1139</b>	<b>5915</b>
<b>A.</b>	<b>Multilateral* (1 to 9)</b>	<b>2600</b>	<b>335</b>	<b>2935</b>	<b>3001</b>	<b>499</b>	<b>3500</b>	<b>3092</b>	<b>627</b>	<b>3719</b>	<b>3382</b>	<b>860</b>	<b>4241</b>	<b>3411</b>	<b>952</b>	<b>4363</b>	<b>3503</b>	<b>780</b>	<b>4283</b>
1	ADB	414	75	489	503	138	641	526	202	727	582	320	902	654	379	1033	847	249	1097
2	AIIB	0	0	0	0	0	0	0	0	0	0	4	4	0	13	13	0	37	37
3	EEC (SAC)	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1
4	EIB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	4
5	IBRD	745	70	815	855	135	990	838	187	1026	900	287	1187	893	327	1220	973	230	1203
6	IDA	1425	186	1611	1626	222	1848	1711	234	1945	1881	243	2124	1844	228	2072	1652	258	1910
7	IFAD	12	3	15	14	3	17	14	3	17	15	4	19	17	4	21	23	5	28
8	NDB	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1	0	1	1
9	OPEC	3	1	4	2	1	3	2	1	2	2	1	3	2	0	3	2	0	3
<b>B.</b>	<b>Bilateral (10 to 15)</b>	<b>901</b>	<b>255</b>	<b>1156</b>	<b>1031</b>	<b>292</b>	<b>1323</b>	<b>1017</b>	<b>287</b>	<b>1304</b>	<b>1077</b>	<b>314</b>	<b>1391</b>	<b>1115</b>	<b>292</b>	<b>1407</b>	<b>1273</b>	<b>358</b>	<b>1631</b>
10	Germany	166	24	190	173	27	200	143	23	166	161	25	186	155	23	178	183	29	212
11	France	17	6	23	18	6	24	27	7	34	33	8	41	39	8	47	55	10	65
12	Japan	580	190	770	695	228	923	710	219	930	746	232	978	793	221	1014	893	242	1135
13	Russian Federation	108	29	137	117	26	143	112	32	145	112	45	157	104	36	141	119	75	194

14	Switzerland	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	USA	29	6	35	28	5	33	25	4	30	26	4	29	23	3	26	23	2	25

Source: CAAA

PR: Partially Revised, P: Provisional, EA: External Assistance

\*Note: It may be noted that in year 2017-18, three (3) multilateral agencies i.e. European Investment Bank (EIB), New Development Bank (NDB) (with US\$0.33 million Interest on Government Account) and Asian Infrastructure Investment Bank (AIIB) (with US\$0.98 Interest on Government Account) were newly added in the creditor list.

## Annexure XXII: Projections of External Debt Service Payments on Sovereign Debt - Creditor-wise

(US\$ million)

Component	2021-22					2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029 Onwards
	(Apr-Jun)	(Jul-Sep)	(Oct-Dec)	(Jan-Mar)	Total of 2021 -22								
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Multilateral</b>	<b>1025</b>	<b>1221</b>	<b>1682</b>	<b>1240</b>	<b>5167</b>	<b>5907</b>	<b>6426</b>	<b>7405</b>	<b>7624</b>	<b>7188</b>	<b>6806</b>	<b>6249</b>	<b>22763</b>
Principal	745	920	1288	922	3875	4415	4874	5838	6098	5891	5617	5167	15913
Interest	280	301	393	318	1292	1492	1552	1567	1526	1297	1190	1082	6850
<b>Bilateral</b>	<b>487</b>	<b>548</b>	<b>510</b>	<b>584</b>	<b>2128</b>	<b>2449</b>	<b>2491</b>	<b>2495</b>	<b>2489</b>	<b>2553</b>	<b>2579</b>	<b>2797</b>	<b>12806</b>
Principal	361	410	381	450	1601	2023	2063	2068	2064	2144	2196	2447	10238
Interest	126	138	129	135	527	426	428	426	425	410	382	350	2568
<b>Other Govt. Debt *</b>													
Interest	362	256	360	256	1233	1122	1019	909	820	665	478	374	1828
<b>Total</b>													
<b>Principal</b>	<b>1106</b>	<b>1330</b>	<b>1669</b>	<b>1371</b>	<b>5476</b>	<b>6439</b>	<b>6937</b>	<b>7907</b>	<b>8162</b>	<b>8035</b>	<b>7813</b>	<b>7614</b>	<b>26151</b>
<b>Interest</b>	<b>767</b>	<b>695</b>	<b>882</b>	<b>709</b>	<b>3053</b>	<b>3040</b>	<b>2999</b>	<b>2902</b>	<b>2771</b>	<b>2372</b>	<b>2050</b>	<b>1806</b>	<b>11246</b>

Source: CAAA and CCIL

\* Converted into US\$ million with the exchange rate as on 31st March 2021.

Note: 1. Bilateral includes export credit component of bilateral credit and civilian rupee debt.

2. Other Govt. Debt includes FPI investment of Govt. Securities and State Development Loans

3. Debt Service Payment for Investment in Govt. Treasury Bills, SDR and Defence Debt are not included in this table.

4. The projections do not include debt service arising out of Committed Undisbursed Balance (CUB) and fresh borrowings.

# Annexure XXIII: External Commercial Borrowings<sup>a</sup>

(US\$ million)

Year	Approvals <sup>b</sup>	Gross Disbursement <sup>c</sup>	Amortisation <sup>c</sup>	Interest <sup>c</sup>	Total Debt Service <sup>c</sup>	Debt Outstanding <sup>c</sup>
1	2	3	4	5	6	7
1990-91	1903	1700	1191	1042	2233	13909
1991-92	2127	2798	1146	994	2140	15557
1992-93	2200	1001	1357	917	2274	15818
1993-94	2585	1859	1703	896	2599	16650
1994-95	4469	2670	2513	1091	3604	18037
1995-96	6286	4538	3311	1162	4473	19024
1996-97	8581	7018	4032	1177	5209	20261
1997-98	8712	7400	3411	1406	4817	23946
1998-99	5200	6927	3153	1575	4728	28182
1999-00	3398	2289	3460	1635	5095	27530
2000-01	2837	9295	5043	1683	6726	30922
2001-02	2653	2933	4013	1534	5547	29579
2002-03	4235	3033	5001	1180	6181	28074
2003-04	6671	5149	8015	2031	10046	25809
2004-05	11490	9094	3571	959	4530	31595
2005-06	17175	14606	11518	2996	14514	32371
2006-07	24492	20727	3785	1709	5494	48459
2007-08	28842	29112	6063	2630	8693	71051
2008-09	16517	14024	6426	2702	9128	77862
2009-10	21703	15951	11501	2397	13898	82518
2010-11	25012	23008	10440	2584	13024	108328

2011-12	35240	31791	16478	4326	20804	126288
2012-13	30992	28563	16355	4990	21345	138735
2013-14	30563	29901	17778	4739	22517	149146
2014-15	27415	29454	26000	4886	30886	146097
2015-16	23519	23611	26725	4976	31701	146104
2016-17	20052	21228	25642	4894	30536	136239
2017-18	27199	27090	24834	5288	30122	126443
2018-19	38589	32136	18913	6289	25202	137035
2019-20 PR	50665	47966	17971	6839	24810	164928
2020-21 P	34607	32474	28285	6668	34954	169616

PR: Partially Revised; P: Provisional

a: The definition of commercial borrowing includes loans from commercial banks, other commercial financial institutions, money raised through issue of securitised instruments like Bonds(including India Development Bonds (IDBs) and Resurgent India Bonds (RIBs), Floating Rate Notes (FRN), etc. It also includes borrowings through Buyers' credit & Supplier credit mechanism, of concerned countries, International Finance Corporation, Washington [IFC(W)], Nordic Investment Bank and private sector borrowings from Asian Development Bank (ADB).

b: Based on date of agreement of the loan which may differ from the date of granting the loan registration number by the RBI. Ceiling on ECB approvals is fixed on the basis of the latter, which may either be after or before the date of agreement of the loan. Hence, there may be some difference between the amount shown under approvals in the table and the amount of ceiling fixed for a particular year.

c: May show small variation as compared to other figures given elsewhere in this Report due to differences in classification.

Note: Disbursements during 1998-99 and 2000-01 include RIBs (US\$4.2 billion) and IMDs (US\$5.5 billion), respectively. Debt service payments during 2003-04 and 2005-06 include redemption of RIBs {US\$5.2 billion (principal US\$ 4.2 billion and interest US\$1 billion)} and IMDs {US\$7.1 billion (principal US\$5.5 billion and interest US\$1.6 billion)}, respectively.