



INDIA'S EXTERNAL DEBT

A Status Report

2011-12

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
EXTERNAL DEBT MANAGEMENT UNIT
AUGUST 2012
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भारत
नई दिल्ली-110001
FINANCE MINISTER
INDIA
NEW DELHI-110001

FOREWORD

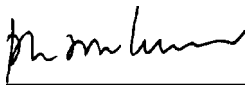
I am happy to present the eighteenth issue of 'India's External Debt: A Status Report 2011-12'. The volume presents a detailed analysis of trend, composition and debt service of India's external debt covering the period up to end-March 2012. The Report also analyses sovereign external debt and has a separate section on external sector vulnerabilities, in view of the fluid global situation that is straining the balance of payments and impacting the economy.

2. India's external debt stock stood at US\$ 345.8 billion at end-March 2012 as against US\$ 305.9 billion at end-March 2011. With rise in debt stock and debt service payments and fall in foreign exchange reserves, the key debt indicators have exhibited an upward trend recently. However, despite increase in the volume of India's external debt and changing composition, the main debt indicators such as ratio of external debt-GDP and debt service ratio have remained in the comfort zone.

3. A cross country comparison also shows that India continues to be among the less vulnerable countries with its external debt indicators comparing well with other indebted countries, particularly in respect of the share of concessional credit in total debt, debt-to-GNI and debt-service ratios, and the share of short-term in total external debt.

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

New Delhi
29 August 2012


(P. CHIDAMBARAM)

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LIST OF ABBREVIATIONS

AAAD	Aid Accounts & Audit Division
AD	Authorised Dealer
ADB	Asian Development Bank
BoP	Balance of Payments
CDO	Collateralised Debt Obligation
CDS	Credit Default Swap
CS-DRMS	Commonwealth Secretariat- Debt Recording and Management System
CUB	Committed Undisbursed Balance
DEA	Department of Economic Affairs
ECB	External Commercial Borrowings
EDMU	External Debt Management Unit
FCA	Foreign Currency Assets
FCCB	Foreign Currency Convertible Bond
FC(B&O)D	Foreign Currency (Banks & Other) Deposit
FCNR(A)	Foreign Currency Non-Resident Account
FCNR(B)	Foreign Currency Non-Resident Bank Deposit
FIIs	Foreign Institutional Investors
FOREX	Foreign Exchange Reserves
GDF	Global Development Finance
GDP	Gross Domestic Product
GDDS	General Data Dissemination System
GNI	Gross National Income
IBRD	International Bank for Reconstruction and Development
ICICI	Industrial Credit and Investment Corporation of India
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFCs	Infrastructure Finance Companies
IFC (W)	International Finance Corporation (Washington DC)
IMD	India Millennium Deposit
IMF	International Monetary Fund
LBO	Leveraged Buyout
LIBOR	London Inter-Bank Offered Rate

MOF	Ministry of Finance
NA	Not Available
NRI	Non-Resident Indian
NR(E)RA	Non-Resident (External) Rupee Account
NR (NR) D	Non-Resident (Non-Repatriable) Rupee Deposit
NRO	Non-Resident Ordinary Account
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries
PIO	Person of Indian Origin
PR	Partially Revised
PV	Present Value
QE	Quick Estimates
QEDS	Quarterly External Debt Statistics
RBI	Reserve Bank of India
RIB	Resurgent India Bonds
SDDS	Special Data Dissemination Standards
SDR	Special Drawing Rights
SEBI	Securities and Exchange Board of India
SED	Sovereign External Debt
SLR	Statutory Liquidity Ratio
TC	Trade Credit
XGS	Exports of Goods and Services

‘India’s External Debt: A Status Report 2011-12’ is prepared in the External Debt Management Unit of the Ministry of Finance. The Unit led by Economic Adviser (Shri Anil Bisen) comprises Additional Economic Adviser (Shri Sunil Saran), Officer on Special Duty (Dr. Rajmal) and Assistant Adviser (Shri J.K Rathee). Shri Krishan Kumar and Smt. Meera assisted in data compilation. The task of Report writing and co-ordination has been undertaken mainly by Dr. Rajmal, OSD. The Hindi Section has provided valuable support in translation and Budget Press in Desktop publishing (DTP) and printing work.

CHAPTER 1

OVERVIEW

1.1 At end-March 2012, India's external debt stock stood at US\$ 345.8 billion, increasing by US\$ 39.9 billion (13.0 per cent) over the end-March 2011 level of US\$ 305.9 billion. The external debt-GDP ratio was 20.0 per cent at end-March 2012 vis-a-vis 17.8 per cent at end-March 2011. The rise could be attributed mainly to increase in commercial borrowings, short-term debt, and non-resident Indian deposits.

1.2 The composition of India's external debt is undergoing a change with the share of multilateral and bilateral debt in total external debt rapidly diminishing over the years, while that of external commercial borrowings and NRI deposits rising. At end-March 2012, the share of commercial borrowings in total external debt stock stood at 30.2 per cent, followed by short-term debt (22.6 per cent), NRI deposits (16.9 per cent) and multilateral debt (14.6 per cent). Rising share of commercial borrowing over the years is an indication of maturing market economy and the increasing role that corporate sector is playing in sustaining the growth of the economy.

1.3 The long-term debt at US\$ 267.6 billion at end-March 2012 reflected an increase of 11.1 per cent, while the short-term debt at US\$ 78.2 billion increased by 20.3 per cent over the level of end-March 2011. The long-term debt accounted for 77.4 per cent of total external debt at end-March 2012.

1.4 Government's external indebtedness has assumed importance in the backdrop of the ongoing sovereign debt crisis in the euro zone and its implications for overall macroeconomic management. In Indian context, sovereign (Government) external debt however constitutes only around 11 per cent of the total public debt, the remaining being from domestic sources. At end-March 2012, Government external debt stood at US\$ 81.9 billion, vis-a-vis US\$ 78.1 billion at end-March 2011.

1.5 The currency composition of India's external debt shows continued dominance of US dollar, accounting for 55.0 per cent of total external debt at end-March 2012. This is followed by the Indian rupee (21.4 per cent), Japanese yen (9.1 per cent) and SDR (8.8 per cent). The rupee denominated debt comprises outstanding state credits extended to India by the erstwhile Union of Soviet Socialist Republic (USSR), rupee denominated NRI deposits, Foreign Institutional Investor's (FII) investments in Government Treasury Bills/dated securities and corporate debt securities.

1.6 The valuation effect reflecting the appreciation of US dollar in the international market had the effect of reducing the increase in India's external debt. Excluding the valuation effect, the stock of external debt at end-March 2012 would have increased by US\$ 51.8 billion over the level at end-March 2011.

1.7 Though India's external debt has remained within manageable limits, there are signs of rising external debt burden, especially in view of increasing share of short-term and commercial debt in total external debt, widening current account deficit, implications of falling value of rupee on the corporate balance sheets and fluid global economic situation. The summary of key external debt indicators from 2005-06 is shown in Table 1.1 and from 1990-91 at Annex II.

Table 1.1: India's Key External Debt Indicators

(Per cent)

At end March	External Debt (US\$ billion)	External Debt to GDP	Debt Service Ratio	Foreign Exchange Reserves to Total External Debt	Concessional Debt to Total External Debt	Short- Term to Foreign Exchange Reserves	Short- Term to Total External Debt
1	2	3	4	5	6	7	8
2005-06	139.1	16.8	10.1 ^a	109.0	28.4	12.9	14.0
2006-07	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2007-08	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2008-09	224.5	20.3	4.4	112.1	18.7	17.2	19.3
2009-10	260.9	18.3	5.8	106.8	16.8	18.8	20.0
2010-11PR	305.9	17.8	4.3	99.6	15.5	21.3	21.2
2011-12 QE	345.8	20.0	6.0	85.1	13.9	26.6	22.6

PR: Partially Revised; QE: Quick Estimates.

a: Works out to 6.3 per cent, excluding India Millennium Deposit repayments of US\$ 7.1 billion and pre-payment of US\$ 23.5 million.

1.8 India's key debt indicators compare well with other indebted developing countries. According to the latest Global Development Finance, 2012 of the World Bank, which contains external debt numbers for 2010, India's position was fifth in terms of absolute debt stock, after China, Russian Federation, Brazil and Turkey. In terms of ratio of external debt to Gross National Income, India's position was the fifth lowest. The share of concessional credit in India's external debt portfolio was the fourth highest after Pakistan, Indonesia and the Philippines. In terms of cover provided by foreign exchange reserves to debt, India's position was the fifth highest after China, Thailand, Malaysia and Russian Federation among the top twenty developing debtor countries.

CHAPTER 2

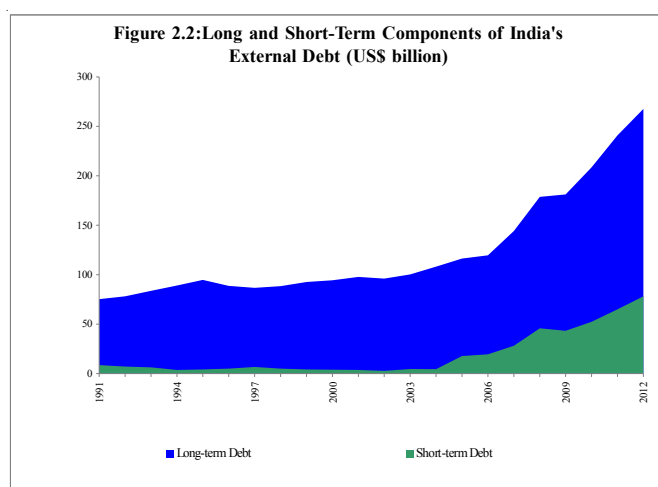
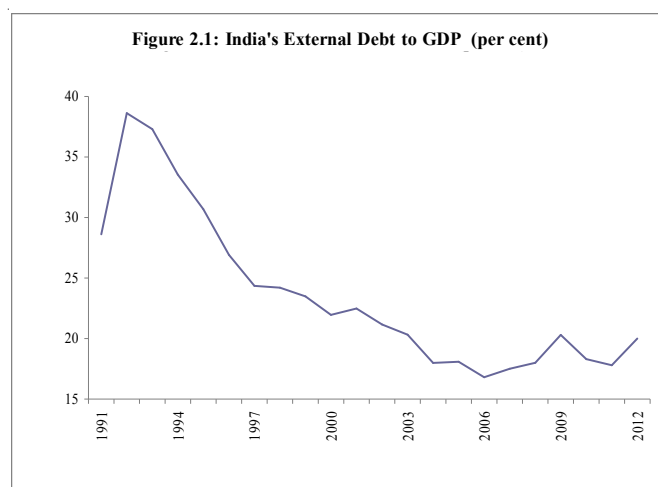
CLASSIFICATION OF EXTERNAL DEBT

2.1 Stock of External Debt

2.1.1 External debt of a country indicates contractual liability of *residents* to *non-residents*. In US dollar terms, India's external debt at end-March 2012 stood at US\$ 345.8 billion (20 per cent of GDP), recording an increase of US\$ 39.9 billion (13 per cent) over the end-March 2011 estimate of US\$ 305.9 billion. In rupee terms, external debt stood at ₹ 1,767,702 crore, reflecting a rise of ₹ 4, 01,410 crore (29.4 per cent) over the end-March 2011 estimate of ₹ 1,366,292 crore (Table 2.1). As Figure 2.1 shows, India's external debt to GDP ratio has declined significantly since the early 1990s. Figure 2.2 (and Table 2.2) reveals that though the share of short term debt has increased in recent years (partly due to an increase in coverage from 2005-06 onwards), India's external debt continues to be dominated by borrowings of longer maturity.

Table 2.1: India's External Debt Stock (2006-12)

at end-March							
Unit	2006	2007	2008	2009	2010	2011	2012
1	2	3	4	5	6	7	8
US dollar million	139,114	172,360	224,407	224,498	260,935	305,931	345,819
Rupee crore	620,522	751,402	897,290	1,142,125	1,178,638	1,366,292	1,767,702
<i>External debt to GDP</i> <i>(per cent)</i>	<i>16.8</i>	<i>17.5</i>	<i>18.0</i>	<i>20.3</i>	<i>18.3</i>	<i>17.8</i>	<i>20.0</i>



2.1.2 The difference between growth rates of external debt in rupee and US dollar terms at end-March 2012 over end-March 2011 reflects the sharp depreciation of the rupee vis-à-vis the US dollar during the period. At the same time, the US dollar appreciated against major international currencies during the period. Excluding the *valuation effect* due to the appreciation of US dollar against most international currencies, the stock of external debt at end-March 2012 in US dollar terms would have increased by US\$ 51.8 billion vis-a-vis the level at end-March 2011.

2.1.3 The increase in India's external debt at end-March 2012 over end-March 2011 is primarily attributed to commercial borrowings that accounted for 39.7 per cent of the rise in total debt, followed by short-term debt (33.1 per cent) and NRI deposits (17.4 per cent). Short-term debt witnessed high growth due to rise in trade credits and FII investment in Government Treasury-bills and corporate securities on account of enhancement in ceilings for such investments in November 2011. Though ECBs continue to drive the rise in the long term external debt stock, the rate of growth of ECBs at end-March 2012 over end-March 2011 (17.9 per cent) is lower than that recorded (25.2 per cent) between end-March 2010 and end-March 2011.

Box 2.1: Increasing Share of External Commercial Borrowings and NRI deposits in External Debt

The composition of India's external debt is undergoing a transformation as the economy becomes more market oriented with increasing participation of the private sector. As is evident from Table 2.3, the share of multilateral and bilateral debt in total external debt has been rapidly diminishing over recent years while that of External Commercial Borrowings (ECB) and NRI deposits has been increasing. This trend is adequately reflected in the falling share of sovereign debt in the country's external debt portfolio (since bulk of multilateral and bilateral financing is accessed by the sovereign) as well as in the declining proportion of concessional debt.

Figure 2.3 depicts the rapid rise in absolute levels of ECB and NRI deposits over the period 2005Q1 to 2011Q4. While there have been steady increases in both these components of long term external debt, the growth in ECB has outpaced that in NRI deposits from 2006-07 onwards. Between end-March 2005 and end-March 2012, the compounded annual growth rate (CAGR) in ECB has been 21.7 per cent while the CAGR recorded in NRI deposits has been 8.7 per cent. The increase in ECB gives rise to some concerns given that the depreciation of the rupee results in higher debt service burden (in rupee terms) that may affect profitability and the balance sheets of corporate that have large exposures to such borrowings.

Figure 2.4 demonstrates trends in the various components of NRI deposits - Non-Resident (External) Rupee Account (NR(E)RA), Foreign Currency (Non-Resident) Account (Banks) (FCNR(B)) and the Non-Resident Ordinary Rupee (NRO) Account. While the principle amount and the interest earned in FCNR (B) and NR(E)RA accounts are repatriable, the same from NRO account are repatriable subject to conditions. While all the three components show an increasing trend in recent years, the rise is particularly sharp for NRO deposits. The sharp rise in NR(E)RA witnessed in the latest quarter stems from freeing up of interest rates on such deposits announced by the Reserve Bank of India (RBI) in December 2011, as a measure of support to the depreciating rupee.

Figure 2.3: Trends in External Commercial Borrowings and NRI Deposits (US\$ million)

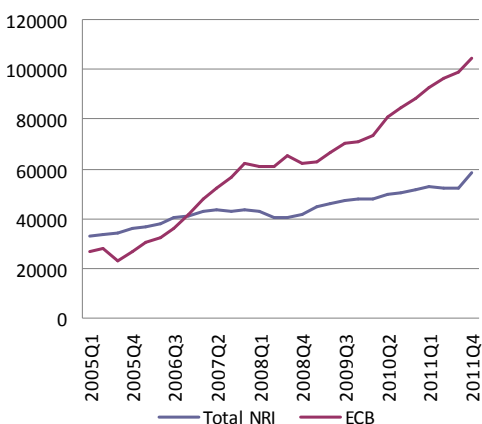
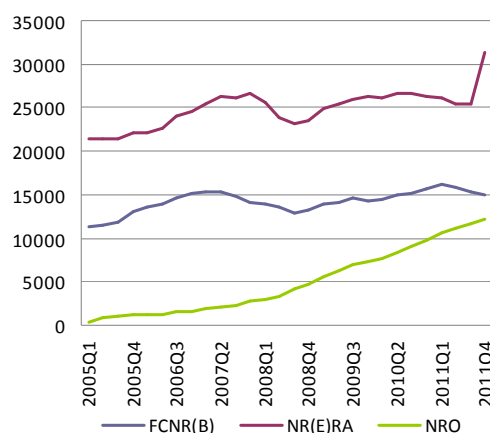


Figure 2.4: Trends in Components of NRI Deposits (US\$ million)



2.2 Creditor Classification

2.2.1 Table 2.2 provides a break-up of India's external debt stock into long and short term components. At end-March 2012, India's long-term external debt stood at US\$ 267.6 billion (77.4 per cent) while short-term debt was US\$ 78.2 billion (22.6 per cent of total debt stock of US\$ 345.8 billion).

Table 2.2: Composition of India's External Debt (US\$ million)

Sl. No.	Components	at end-March			Variation			
					Amount		Per cent	
		2010	2011 PR	2012 QE	2010 to 2011	2011 to 2012	2010 to 2011	2011 to 2012
1	2	3	4	5	6	7	8	9
1.	Multilateral	42,857	48,474	50,453	5,617	1,979	13.1	4.1
2.	Bilateral	22,593	25,698	26,758	3,105	1,060	13.7	4.1
3.	IMF	6,041	6,308	6,163	267	-145	4.4	-2.3
4.	Export credit	16,841	18,613	19,908	1,772	1,295	10.5	7.0
5.	Commercial Borrowings	70,726	88,565	104,396	17,839	15,831	25.2	17.9
6.	NRI Deposits	47,890	51,682	58,608	3,792	6,926	7.9	13.4
7.	Rupee debt	1,658	1,601	1,354	-57	-247	-3.4	-15.4
8.	Long-term debt (1 to 7)	208,606	240,941	267,640	32,335	26,699	15.5	11.1
9.	Short-term debt (Original Maturity)	52,329	64,990	78,179	12,661	13,189	24.2	20.3
10.	Total External Debt (8+9)	260,935	305,931	345,819	44,996	39,888	17.2	13.0

PR: Partially Revised, QE: Quick Estimates.

2.2.2 Among the long-term components - external commercial borrowings, NRI deposits and multilateral debt accounted for 61.7 per cent of total external debt, while the remaining 15.7 per cent was accounted for by the other components including bilateral debt and export credit. The share of commercial borrowings continued to be the highest (30.2 per cent) in total external debt followed by NRI deposits (16.9 per cent) and multilateral debt (14.6 per cent) (Table 2.3).

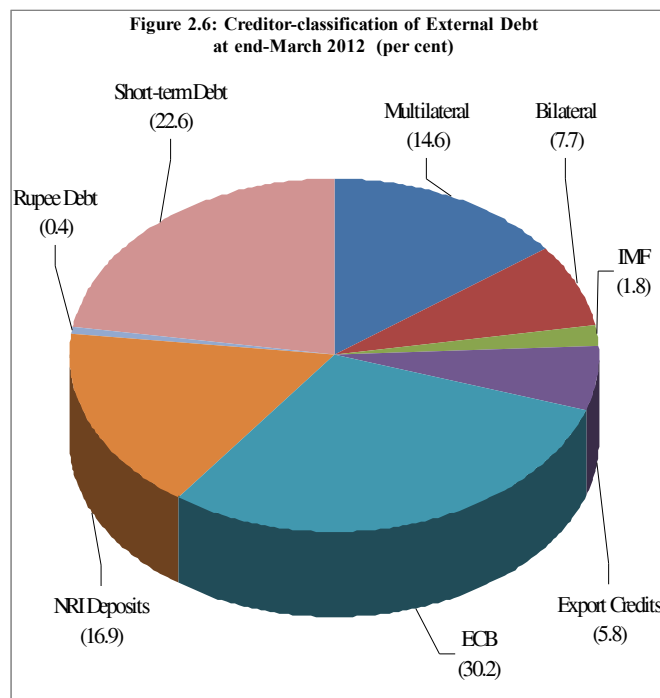
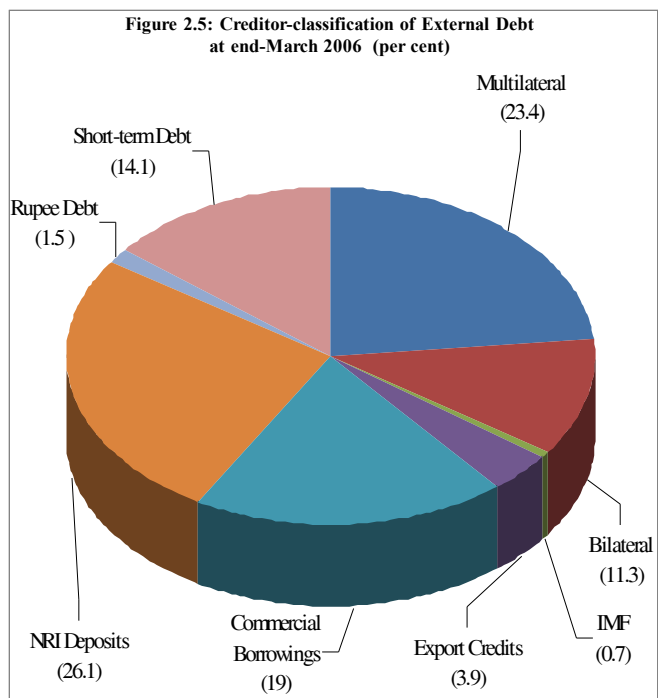
2.2.3 The component-wise share of external debt since 2002 in rupee crore and US dollar million are contained at Annex III and Annex IV respectively. The quarter-wise external debt outstanding since March 2010 in rupee crore and US dollar million is contained in Annex V and VI, respectively.

Table 2.3: Creditor Classification of External Debt

(Per cent)

Sl.No.	Category	at end-March						
		2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9
1.	Multilateral	23.4	20.5	17.6	17.6	16.4	15.8	14.6
2.	Bilateral	11.3	9.3	8.8	9.2	8.7	8.5	7.7
3.	IMF	0.7	0.6	0.5	0.5	2.3	2.1	1.8
4.	Export Credits	3.9	4.2	4.5	6.5	6.5	6.1	5.8
5.	ECB	19.0	24.0	27.8	27.8	27.1	28.9	30.2
6.	NRI Deposits	26.1	23.9	19.5	18.5	18.4	16.9	16.9
7.	Rupee Debt	1.5	1.1	0.9	0.7	0.6	0.5	0.4
8.	Long-term Debt (1to7)	85.9	83.6	79.6	80.7	79.9	78.8	77.4
9.	Short-term Debt	14.1	16.4	20.4	19.3	20.1	21.2	22.6
10.	Total (8+9)	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially Revised, QE: Quick Estimate.



2.2.4 As is evident from Table 2.4, the share of *official* creditors in total external debt has declined over the years. The share of private creditors has increased from around 62 per cent in 2006 to 75 per cent at end-March 2012.

Table 2.4: Share of Official and Private Creditors in External Debt

(Per cent)

At end-March	Official Creditors	Private Creditors
1	2	3
2006	37.7	62.3
2007	32.2	67.8
2008	28.4	71.6
2009	28.5	71.5
2010	28.6	71.4
2011 PR	27.4	72.6
2012 QE	25.0	75.0

PR: Partially Revised; QE: Quick Estimates.

Note: (1) Official creditors include multilateral and bilateral sources of finance, loans and credits obtained from IMF, export credit component of bilateral credit, export credit for defence purposes and rupee debt. (2) Private creditors denote sources of loans raised under ECBs, NRI deposits, export credits (other than those included under official creditors and short-term debt).

2.3 Borrower Classification

2.3.1 The borrower classification of India's external debt provides break-up into Government (Sovereign) and non-Government debt (Table 2.5 and Annex VII). The latter is further categorized into financial sector and non-financial public and private sectors. Non-Government debt as a percentage of total external debt has increased from 66.7 per cent at end-March 2006 to 76.3 per cent at end-March 2012.

Table 2.5: External Debt by Borrower Classification*(US\$ million)*

Sl	Components	at end-March						
		2006	2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8	9
I.	Government Debt (A+B)	46,259	49,360	58,070	55,870	67,067	78,072	81,895
A.	<i>Of which long-term (1+2):</i>	46,119	49,034	57,455	54,931	65,549	75,230	75,788
1.	Govt. Account	43,510	46,155	52,541	51,816	55,235	62,295	63,374
2.	Other Govt. Debt	2,609	2,879	4,914	3,115	10,314	12,935	12,414
B.	<i>Of which short-term:</i>	140	326	615	939	1,518	2,842	6107
II.	Non-Government Debt (C+D)	92,855	123,000	166,337	168,628	193,868	227,859	263,924
C.	<i>Of which long-term (1+2+3):</i>	73,456	95,196	121,214	126,254	143,057	165,711	191,852
1.	Financial Sector ^(a)	42,334	48,414	51,138	48,617	55,933	62,818	70,241
2.	Public Sector ^(b)	6,671	7,978	11,040	12,599	13,749	16035	19,085
3.	Private Sector ^(c)	24,451	38,804	59,036	65,038	73,375	86,858	102,526
D.	<i>Of which short-term:</i>	19,399	27,804	45,123	42,374	50,811	62,148	72,072
III.	Total External Debt (I+II)	139,114	172,360	224,407	224,498	260,935	305,931	345,819
Memo Items:								
	Share of Government debt in total debt (per cent)	33.3	28.6	25.9	24.9	25.7	25.5	23.7
	Share of Non-Government debt in total debt (per cent)	66.7	71.4	74.1	75.1	74.3	74.5	76.3
	Ratio of Government debt to GDP (per cent)	5.5	5.0	4.7	5.1	4.9	4.4	4.7

PR: Partially Revised; QE: Quick Estimates.

^(a): Financial sector represents borrowings by banks and financial institutions and also include long-term NRI Deposits.

^(b): Public sector debt represents borrowings of non-financial public sector enterprises.

^(c): Private sector debt represents borrowings of non-financial private sector enterprises.

2.3.2 With the rising share of non-Government debt, the composition of such debt assumes importance. As is evident from Table 2.5, the exposure of the financial sector and the non-financial private sector to external sources of finance is larger compared to that of the non-financial public sector.

2.4 Instrument-wise Classification

2.4.1 The instrument-wise (*viz.*, bonds, loans, trade credits and deposits) classification of external debt, along with borrower details presented in Table 2.6 depicts the major forms via which individual sectors are gaining access to external financing. At end-March 2012, exposure across sectors is primarily in the form of loans (including multilateral, bilateral credit and bank loans) (49.3 per cent), followed by trade credits (19.6 per cent), deposits (18.7 per cent) and bonds (12.4 per cent).

2.4.2 For the Government and the non-financial private sector, the bulk of external debt is via loans, while deposits constitute the major instrument for the financial sector. Trade credits constitute the majority share in short term external debt.

Table 2.6: Instrument-wise Classification of External Debt at end-March 2012

(US\$ million)

Sl.	Borrowers	Bonds	Loans	Trade Credits	Deposits	Total
1	2	3	4	5	6	7
I	Government	5,261 (1.5)	62,800 (18.2)	1,564* (0.5)	6,163** (1.8)	75,788 (22.0)
II	Financial Sector	14,161 (4.1)	10,618 (3.1)	0.0 (0.0)	58,608 (16.9)	83,387 (24.1)
III	Non-Financial Public Sector	818 (0.2)	18,267 (5.3)	0.0 (0.0)	0.0 (0.0)	19,085 (5.5)
IV	Non-Financial Private Sector	9,723 (2.8)	78,557 (22.7)	1,100 (0.3)	0.0 (0.0)	89,380 (25.8)
V	Short-Term Debt	13,049 (3.8)	0.0 (0.0)	65,130 (18.8)	0.0 (0.0)	78,179 (22.6)
VI	Total External debt*** (I to V)	43,013 (12.4)¹	170,241 (49.3)	67,794 (19.6)	64,771 (18.7)	345,819 (100.0)

* For the Government this signifies 'export credit' component of bilateral external assistance.

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

*** Items I to IV constitute Total Long term Debt. 1 Includes Money market instruments. Figures in parentheses denote percentage of total external debt (US\$ 345.8 billion) at end-March 2012.

2.5 Currency Composition

2.5.1 The currency composition of India's external debt reveals that US dollar denominated debt remained dominant. The share of the US dollar debt in total external debt stood at 55 per cent at end-March 2012, followed by the Indian rupee (21.4 per cent), Japanese yen (9.1 per cent) and SDR (8.7 per cent) (Table 2.7 and Annex IX).

Table 2.7: Currency Composition of External Debt

(Per cent)

Sl	Currency	at end-March						
		2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9
1.	US Dollar	48.8	51.1	55.3	54.1	53.2	53.6	55.0
2.	Indian Rupee	18.8	18.5	16.2	15.4	18.7	19.5	21.4
3.	Japanese Yen	10.9	11.4	12.0	14.3	11.5	11.3	9.1
4.	SDR*	14.3	12.4	10.6	9.8	10.7	9.7	8.7
5.	Euro	4.4	3.9	3.5	4.1	3.6	3.7	3.7
6.	Pound Sterling	2.6	2.4	2.2	1.9	1.8	1.7	0.9
7.	Others	0.2	0.3	0.2	0.4	0.5	0.5	1.2
Total (1 to 7)		100.0	100.0	100.0	100.0	100.0	100.0	100.0

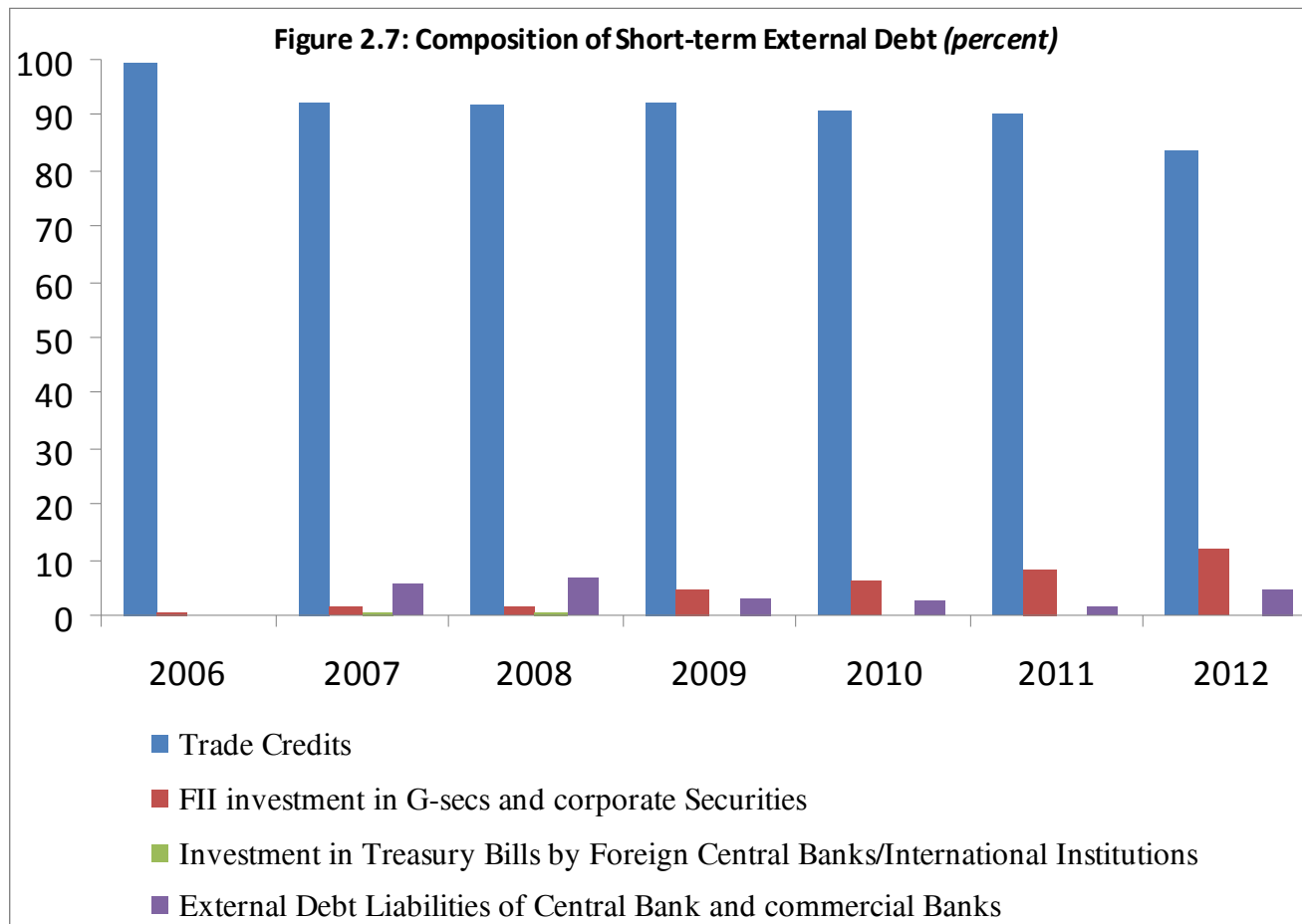
PR: Partially Revised; QE: Quick Estimates. * The SDR created by the IMF in 1969 to serve as an international reserve asset to supplement the official reserves of the member countries. The SDR valuation basket w.e.f January 1, 2011 consists of the following currencies with their associated weightage; US Dollar (41.9 per cent), Euro (37.4 per cent), Pound Sterling (11.3 per cent) and Japanese Yen (9.4 per cent) (Source; IMF). In case the currencies in the SDR basket are separately considered, the share of each currency in the table above would rise correspondingly.

2.6 Short-term External Debt

Short-term debt based on original maturity

2.6.1 Large magnitude of short term external debt may pose problems in the event of a liquidity crisis when access to international financial markets get limited and the roll-over/refinancing opportunities are not easily forthcoming. India's short-term debt (by original maturity) has exhibited an upward trend, both in absolute terms and as a percentage of total debt. This is, however, largely on account of revision in the coverage of short-term debt in recent years¹. The data on 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.

2.6.2 At end-March 2012, India's short-term external debt stood at US\$ 78.1 billion, reflecting an increase of 20.3 per cent over end-March 2011. Trade credits accounted for 83.3 per cent of short-term debt at end-March 2012 as against 90 per cent as at end-March 2011. The share of FII investments in short term debt has, however, increased. Component-wise details of short-term debt are contained in Table 2.8.

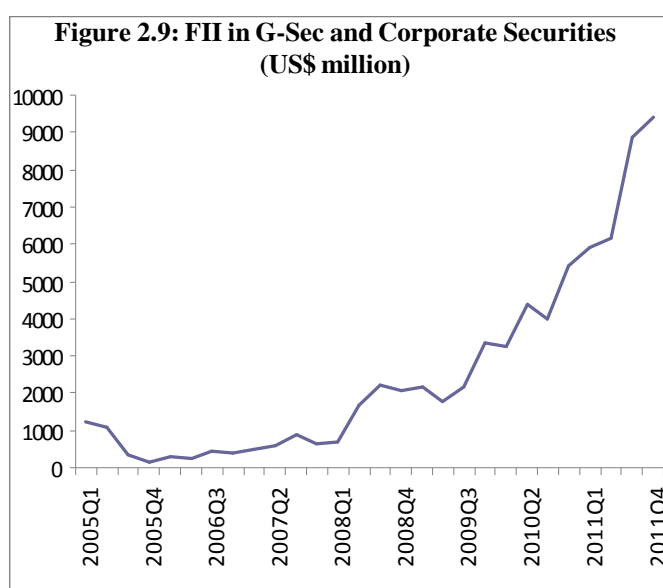
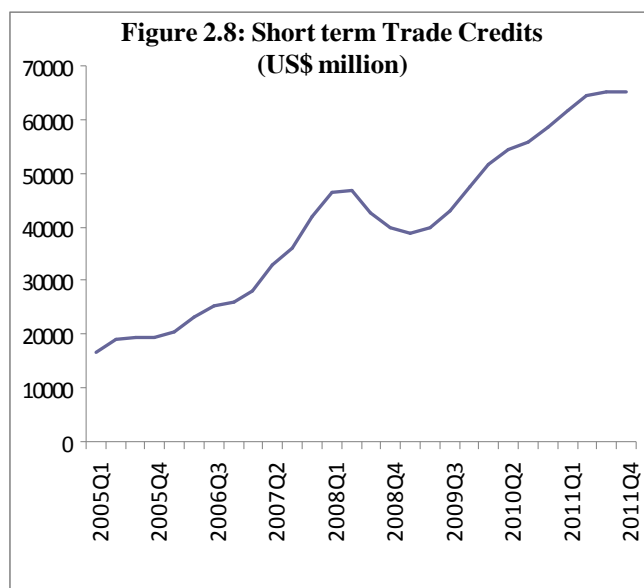


¹ Redefined from 2005-06 by including suppliers' credit up to 180 days and FII investments in the Government of India Treasury Bills and other instruments and further in March 2007 by including external debt liabilities of the banking system and the investment in the Government securities by the foreign central banks and the international institutions.

Table 2.8: Short-term Debt by Original Maturity*(US\$ million)*

Sl	Category	at end-March						
		2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9
1.	Short-term Debt (a to d)	19,539	28,130	45,738	43,313	52,329	64,990	78,179
a)	Trade Credits (1+2)	19,399	25,979	41,901	39,915	47,473	58,463	65,130
	1. Above 6 months and up to 1 year	8,696	11,971	22,884	23,346	28,003	35,347	39,182
	2. Up to 6 months	10,703	14,008	19,017	16,569	19,470	23,116	25,948
b)	FII investment in Govt. Treasury Bills and corporate securities	140	397	651	2065	3,357	5,424	9,395
c)	Investment in Treasury Bills by foreign central banks and international Institutions, etc.	-	164	155	105	103	50	64
d)	External debt liabilities of	-	1,590	3,031	1,228	1,396	1,053	3,590
	1. Central Bank	-	501	1,115	764	695	155	170
	2. Commercial Banks	-	1,089	1,916	464	701	898	3,420

PR: Partially Revised; QE: Quick Estimates.



2.6.3 Figures 2.8 and 2.9 depict rising trends in the two major components of short-term debt during 2005-06Q1 to 2011-12Q4. Trade credits registered a rise from US\$ 19.4 billion at end-March 2006 to US\$ 65.1 billion at end-March 2012 with a momentary dip registered between 2008Q4 and 2009Q2 during the global crisis (Table 2.8). FII investments have also picked up in recent years, especially from 2009Q3, after a brief reversal during the crisis. While FIIs are subject to sudden surges and reversals, rising trade credits imply larger demand for (short-term) trade financing in line with India's increasing import demand.

Short-term debt by residual maturity

2.6.4 External 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. The study of external debt by residual maturity is useful in assessing liquidity requirements to service contractual obligations within a year.

2.6.5 Based on residual maturity, India's short-term debt stood at US\$ 99.6 billion at end-March 2012 (Table 2.9). At this level, it accounted for 28.8 per cent of total external debt and 33.8 per cent of foreign exchange reserves. The details of short-term debt by residual maturity are contained at Annex X.

Table 2.9: Short Term Debt by Residual Maturity

(US\$ million)

Component	at end-March				
	2008	2009	2010	2011	2012
1	2	3	4	5	6
1. Short-term Debt (Original Maturity)	45,738	43,313	52,329	64,990	78,179
2. Long-term debt obligations maturing within one year*	9,054	14,180	13,002	22,986	21,440
3. External debt (residual maturity) (1+2)	54,792	57,493	65,331	87,976	99,619
Per cent to Total Debt	24.4	25.6	25.0	28.8	28.8
Per cent of foreign exchange reserves	17.7	22.8	23.4	28.9	33.8

Note: Estimates of long-term debt obligations maturing within one year have been calculated on post facto basis and includes repayments arising from prepayments of long-term debt.

*: Long term debt maturing within one year (2012-13) has been calculated by aggregating projected principal repayments on debt outstanding as at 31st March 2012. It excludes debt service on FII investment in Government / corporate securities and NRI deposits.

2.7 Concessional Debt

2.7.1 Concessionality of external debt indicates softer terms of a loan in relation to prevailing market conditions. Concessionality could be reflected in terms of lower rate of interest, longer grace or repayment periods and is measured by the difference between the face value of a credit and the sum of the discounted future debt service payments.

2.7.2 Different multilateral institutions follow different norms for classifying credits into concessional and non-concessional. In India, loans from International Development Association (IDA), International Fund for Agricultural Development (IFAD), Rupee debt are categorized as concessional. The proportion of concessional loans in total external debt has declined steadily from 28.4 per cent in 2006 to about 14 per cent at end-March 2012 (Figures 2.10 and 2.11 and Table 2.10). The decline in the share of concessional debt reflects the declining share of multilateral and bilateral debt in India's total external debt.

Figure 2.10. : Concessional and Non-Concessional Debt as percent of Total External Debt at end-March 2006

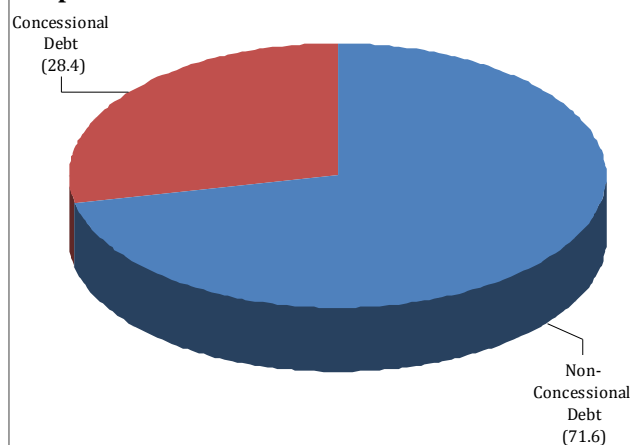


Figure 2.11: Concessional and Non-Concessional Debt as percent of total External Debt at end-March 2012

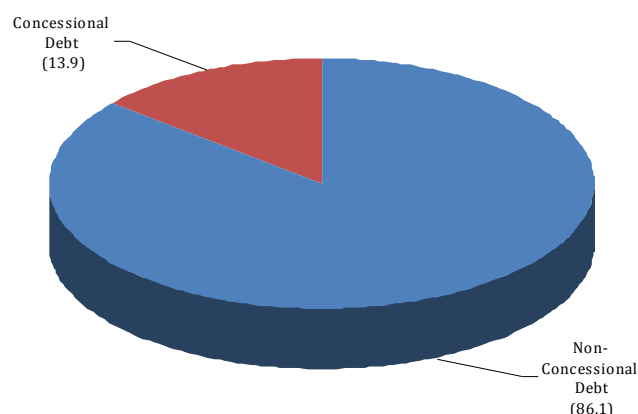


Table 2.10 : Share of Concessional Debt in Total External Debt*(US\$ million)*

Sl	Component	at end-March						
		2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9
1	Total external debt (2+3)	1,39,114	1,72,360	2,24,407	2,24,498	2,60,935	3,05,931	3,45,819
2	Concessional debt	39,559	39,567	44,164	41,899	43,931	47,498	47,901
3	Non-concessional debt	99,555	1,32,793	1,80,243	1,82,599	2,17,004	258,433	2,97,918
4	Concessional debt as share of total debt (per cent)	28.4	23.0	19.7	18.7	16.8	15.5	13.9

Note: Creditor classification approach is used for classifying debt as concessional.

PR: Partially Revised, QE: Quick Estimates.

2.8 Summary

2.8.1 India's external debt (20 per cent of GDP) continues to be predominantly long term (77.4 per cent). The changing composition of long term debt, as is evident from the decreasing shares of multilateral and bilateral credit (and corresponding decline in the share of sovereign and concessional debt) signifies a maturing market economy that is increasingly integrated into the world economy. However, though the rising shares of components viz. ECB are in line with the broad policy orientation of the Indian economy (that has emphasized attracting foreign savings into the economy over the past few decades), these developments signal heightened exposure of the domestic corporate sector to external shocks including adverse exchange rate movements.

CHAPTER 3

DEBT SERVICE

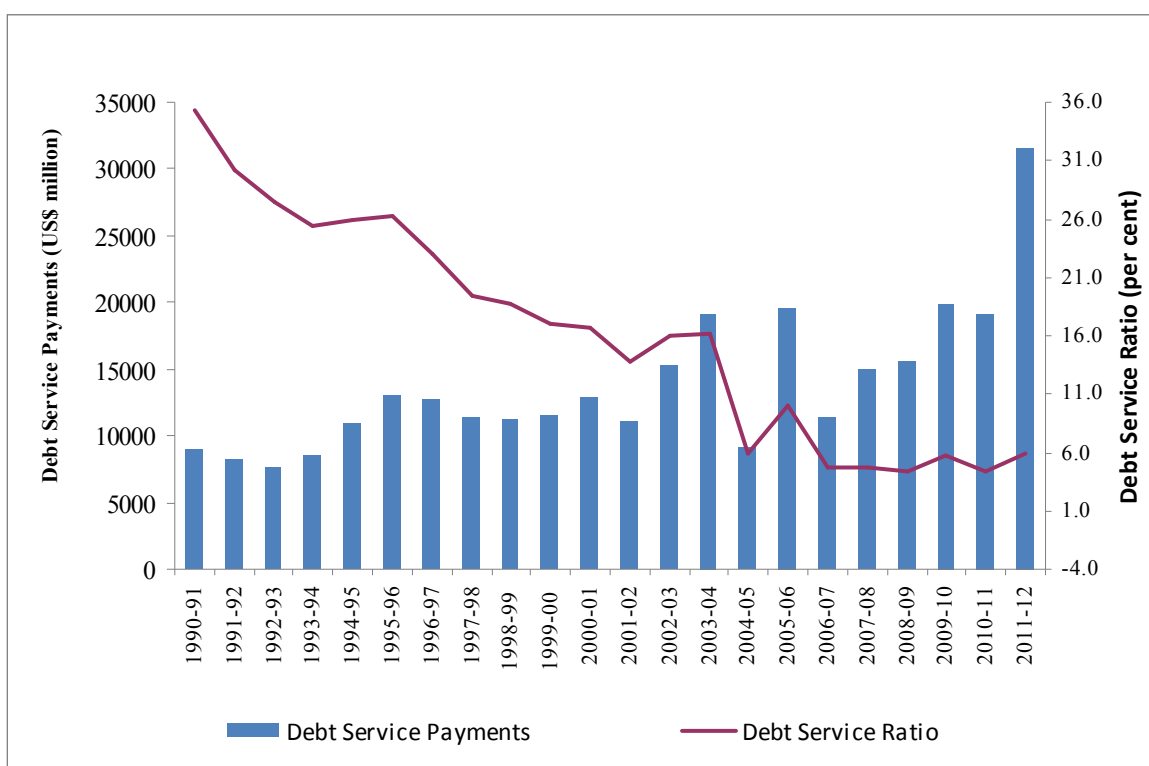
3.1 Introduction

3.1.1 Debt service payments or servicing of external debt is defined as the set of payments, inclusive of both principal and interest, made to meet debt obligation to non-resident creditors. Debt service ratio, measured by the proportion of gross debt service payments to current receipts of Balance of Payments (BoP), serves as an important indicator of debt sustainability. A larger outgo on account of debt service payments could pre-empt a significant part of foreign exchange earnings, straining the exchange rate. A higher debt service ratio as well as large debt service payments also increase the risk of exposing the country to external shocks. The analysis of debt service payments and debt service ratio therefore occupy a central role in external debt analysis.

3.2 Debt Service Payments - Magnitude and Trends

3.2.1 India's external debt service payments and debt service ratio in recent period are presented in Figure 3.1. Gross debt service payments increased by about 65.0 per cent to US\$ 31.5 billion in 2011-12 from US\$ 19.1 billion in 2010-11. Rise in debt service payments was mainly on account of higher servicing cost of external commercial borrowings. Debt service ratio is estimated at 6.0 per cent in 2011-12 vis-a-vis 4.3 per cent in 2010-11. The increase in debt service ratio during 2011-12 was due to relatively higher growth in debt service payments vis-a-vis current receipts of balance of payments.

**Figure 3.1: Debt Service Payments and
Debt Service Ratio**



3.2.2 Table 3.1 provides component-wise debt service payments during 2006-07 to 2011-12. The details of debt service payments since 2001-02 is given in Annex XI. During the period, India's total external debt service payments remained in the range of US\$ 11.4 billion to US\$ 19.9 billion, before increasing to US\$ 31.5 billion in 2011-12.

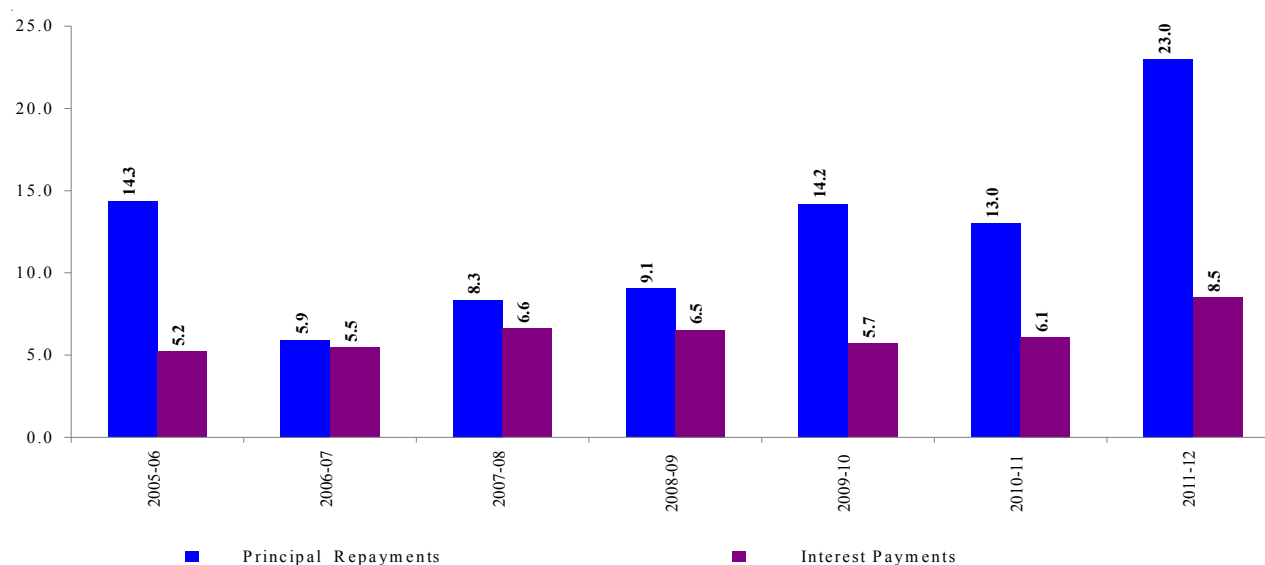
Table 3.1 : India's External Debt Service Payments

(US\$ million)

Sl. No.	Components	April – March					
		2006-07	2007-08	2008-09	2009-10	2010-11PR	2011-12QE
1	2	3	4	5	6	7	8
1	External Assistance	2,942	3,241	3,384	3,461	3,667	3,923
	Repayments	1,960	2,099	2,375	2,585	2,839	3,125
	Interest	982	1,142	1,009	876	828	798
2	External Commercial						
	Borrowings	6,331	9,771	10,543	14,742	13,602	25,198
	Repayments	3,814	6,119	6,578	11,498	10,094	19,782
	Interest	2,517	3,652	3,965	3,244	3,508	5,416
3	NRI Deposits	1,969	1,813	1,547	1,599	1,737	2,313
	Interest	1,969	1,813	1,547	1,599	1,737	2,313
4	Rupee Debt Service	162	122	101	97	69	79
	Repayments	162	122	101	97	69	79
5	Total Debt Service						
	(1 to 4)	11,404	14,947	15,575	19,899	19,075	31,513
	Repayments	5,936	8,340	9,054	14,180	13,002	22,986
	Interest	5,468	6,607	6,521	5,719	6,073	8,527
Memo items:							
	Current Receipts*	242,811	314,284	356,175	345,144	448,067	528,372
	Debt Service Ratio (%)	4.7	4.8	4.4	5.8	4.3	6.0
	Interest Payments to						
	Current Receipts (%)	2.3	2.1	1.8	1.7	1.4	1.6

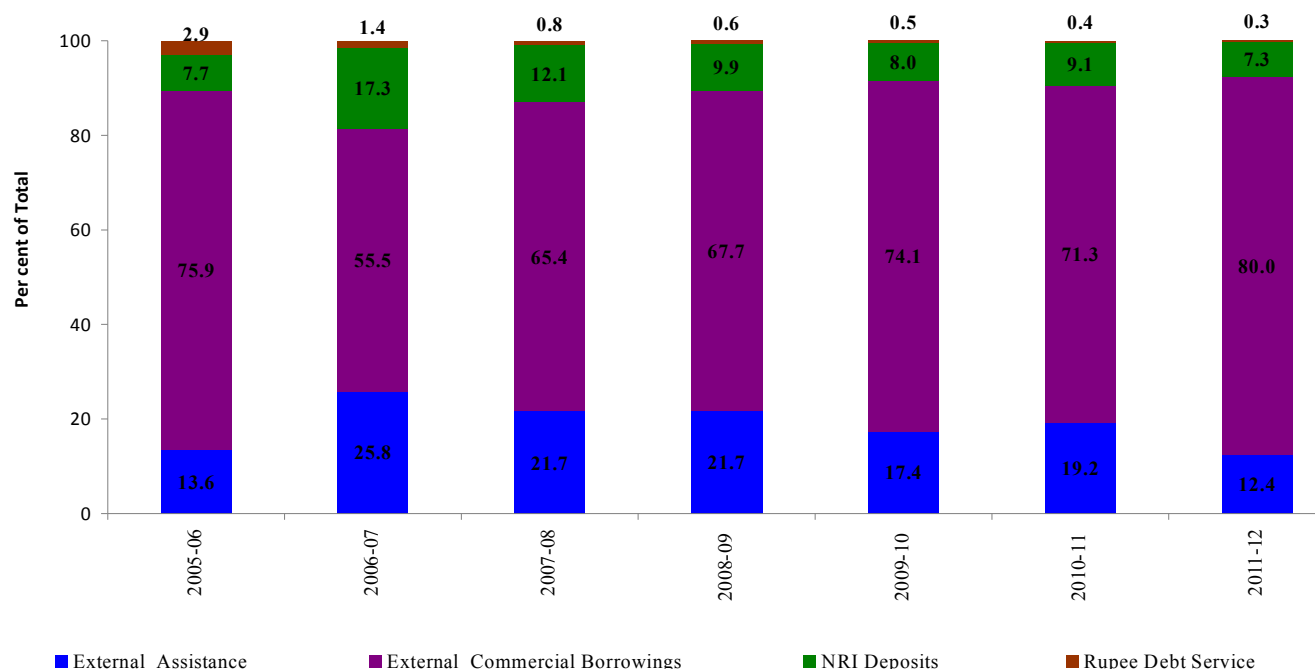
PR: Partially Revised; QE: Quick Estimates. *: Current Receipts minus officials transfers.

Figure 3.2: Principal Repayment and Interest Payment (US\$ billion)



3.2.3 Component-wise, the debt service on external commercial borrowings continues to dominate with share of 80.0 per cent in total debt service payments. Other components *viz.*, debt service payments under external assistance (12.4 per cent), NRI deposits (7.3 per cent) and rupee debt service (0.3 per cent) contributed the rest (Figure 3.3). India's external debt service payments by creditor categories are presented in Annex XII.

Figure 3.3: Composition of India's External Debt Service Payments



3.2.4 The principal repayments under short-term debt are not included in total debt service payments, which is in line with the best international practice². Net disbursement (gross disbursements *minus* principal repayments) on short-term debt however, is a useful indicator of external shocks. The experience of global financial crisis shows that gross disbursements of short-term credit to India declined in 2008-09, while repayment increased significantly, resulting in net outflows. With the revival of global financial markets and economic growth, the short-term trade credit experienced net inflows during 2009-10 and 2010-11. It experienced some moderation in 2011-12 reflecting volatilities in global financial markets due to deepening euro-zone sovereign debt crisis (Table 3.2).

Table 3.2 : Disbursements and Principal Repayments under Short Term Debt (US\$ million)

Period (April-March)	Disbursements	Principal Repayment	Net
1	2	3	4
2005-06	21,505	17,806	3,699
2006-07	29,992	23,380	6,612
2007-08	47,658	31,729	15,929
2008-09	41,765	43,750	-1,985
2009-10	53,264	45,706	7,558
2010-11 PR	75,732	64,742	10,990
2011-12 QE	102,754	96,087	6,668

PR : Partially Revised. QE : Quick Estimates

Source : Reserve Bank of India, Balance of Payments Data.

² External Debt Statistics Guide for Compilers and Users', International Monetary Fund, 2003.

3.3 Terms of Borrowings

3.3.1 Implicit interest rate on total external debt is estimated by taking interest payments during the year as a percentage of the outstanding debt at the end of the previous year. During 2011-12, the implicit interest rate on total external debt was 2.8 per cent (2.3 per cent during 2010-11). The implicit interest on NRI deposits stood at 4.5 per cent as against 3.6 per cent in 2010-11. The interest on external assistance declined marginally to 1.1 per cent from 1.3 per cent during 2010-11. The implicit interest rate on ECB increased to 5.6 per cent in 2011-12 from 4.3 per cent during 2010-11 (Table 3.3).

Table 3.3 : Implicit Interest Rate on India's External Debt

(Per cent)

Sl.	Components	April – March					
		2006-07	2007-08	2008-09	2009-10	2010-11PR	2011-12QE
1	2	3	4	5	6	7	8
	Implicit Interest Rate on Total External Debt	4.0	3.9	2.9	2.5	2.3	2.8
	<i>Of which:</i>						
1.	External Assistance	2.1	2.3	1.8	1.5	1.3	1.1
2.	NRI Deposits	5.4	4.4	3.5	3.9	3.6	4.5
3.	External Commercial Borrowings	7.8	7.5	5.6	4.2	4.3	5.6

PR: Partially Revised; QE: Quick Estimates.

3.3.2 Average terms of new commitments to India from official and private creditors are presented in Table 3.4. As expected, the average terms are relatively favourable for credit from official *vis-à-vis* private creditors.

Table 3.4: Average Terms of New Commitments for India from 2006 to 2010

Year	Official Creditors			Private Creditors		
	Interest (Percent)	Maturity (Years)	Grace Period (Years)	Interest (Percent)	Maturity (Years)	Grace Period (Years)
2006	3.1	27.5	5.0	3.9	5.0	3.9
2007	3.5	24.4	6.2	6.6	9.9	3.9
2008	2.0	26.4	5.3	4.4	8.7	2.5
2009	1.0	27.6	6.5	3.6	3.4	2.5
2010	0.8	31.3	8.4	2.3	6.5	3.6

Source: World Bank, Global Development Finance Report, 2012.

3.4 Projections of Debt Service Payments

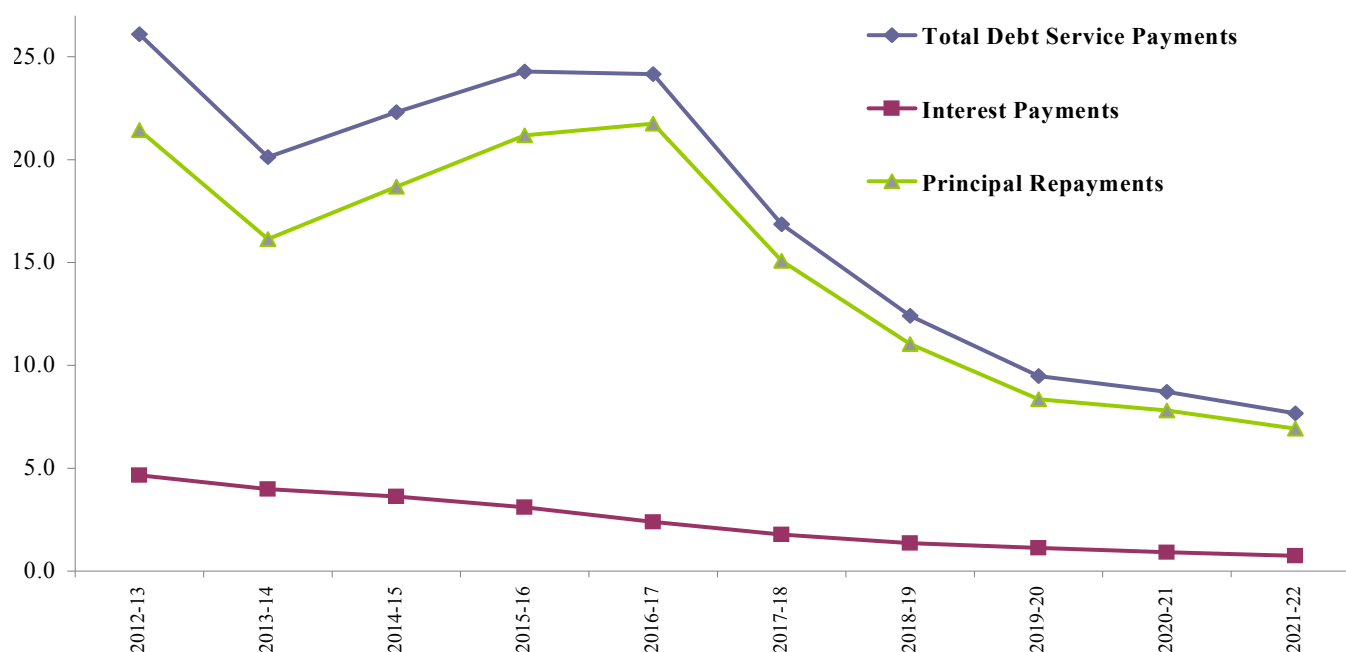
3.4.1 Debt service projections based on long-term debt outstanding at the end of March 2012 show that debt service payments would reach US\$ 26.1 billion (US\$ 21.4 billion principal repayment and US\$ 4.7 billion interest) (Table 3.5 and Figure 3.4) in 2012-13. The large debt service payments are primarily on account of higher repayments of ECBs. The repayment of NRI deposits and FII investment in debt securities are not included in the projections.

Table 3.5 : Projected Debt Service Payments

(US\$ million)

Year	Principal	Interest	Total (2+3)
1	2	3	4
2012-13	21,440	4,655	26,095
2013-14	16,135	3,985	20,120
2014-15	18,677	3,624	22,301
2015-16	21,176	3,101	24,277
2016-17	21,750	2,399	24,149
2017-18	15,084	1,777	16,861
2018-19	11,041	1,365	12,406
2019-20	8,358	1,124	9,482
2020-21	7,803	916	8,719
2021-22	6,928	740	7,668

Note: Debt Service payment projections include external assistance, ECB and FCCB.

Figure 3.4: Projected Debt Service Payments (US\$ billion)

3.5 Summary

3.5.1 India's external debt service payments at 6.0 per cent of current receipts in 2011-12 are manageable. It was however high compared to 4.3 per cent debt service ratio in 2010-11. Debt servicing of external commercial borrowings, with the share of 80 per cent, continued to dominate the total debt service payments, followed by external assistance, NRI deposits and rupee debt.

CHAPTER 4

INTERNATIONAL COMPARISON³

4.1 Introduction

4.1.1 This chapter provides a cross-country comparison of external debt and presents a snapshot of India's external debt position in international perspective. The source of data is World Bank's annual publication titled 'Global Development Finance 2012', which provides external debt numbers and key indicators of the developing countries⁴. A comparative picture of India's external indebtedness *vis-à-vis* top twenty developing debtor countries is given in Annex XIII.

4.2 External Debt of Developing Countries

4.2.1 The combined external debt stock of 129 developing countries was US\$ 4,076.3 billion at end-December 2010, recording an increase of 12 per cent over 2009 level (US\$ 3,639.6 billion). Rise in debt stock in 2010 was mainly on account of sharp increase in short-term debt component. The short-term debt recorded an increase of 34 per cent in 2010, while the long-term witnessed rise of 6 per cent over the previous year. The long-term debt (including IMF) accounted for 74.6 per cent of total debt, while the remaining was short-term debt (25.4 per cent). A quick overview of the external indebtedness of developing countries is presented in Table 4.1.

Table 4.1: External Debt of Developing Countries: Key Indicators

(US\$ billion)

Item	2005	2006	2007	2008	2009	2010
1	2	3	4	5	6	7
External debt stock	2514.1	2675.3	3220.5	3499.2	3639.6	4076.3
<i>Of which:</i>						
1. Long-term external debt (including IMF)	2013.3	2081.5	2456.5	2739.7	2866.4	3039.9
2. Short-term external debt	500.8	593.8	764.0	759.5	773.2	1036.4
Memo Items						
External debt stocks to exports (%)	75.9	66.1	65.6	59.3	77.0	68.7
External debt stocks to GNI (%)	26.6	23.9	23.2	21.0	22.4	21.0
Debt service to exports (%)	13.0	12.4	10.2	9.1	10.8	9.8
Short-term to external debt stock (%)	19.9	22.2	23.7	21.7	21.2	25.4
Reserves to external debt stock (%)	78.7	97.8	114.9	118.7	132.9	137.1
Reserves to imports (months)	7.3	8.1	9.3	8.5	12.2	11.1

Source: Global Development Finance, 2012, World Bank.

4.2.2 Long-term external debt of developing countries increased by 65.5 per cent between 2000 and 2010. Borrower-wise details of long-term external debt shows a shift towards private sector borrowers with its share in long-term external debt increasing over the years. There was, however marginal decline in the share of private sector in total long-term debt in 2009 and 2010 (Table 4.2).

³ International comparison is made based on the data in 'Global Development Finance 2012' of the World Bank. Therefore, data in respect of India may differ from those published by Indian authorities.

⁴ The publication 'Global Developments Finance 2012' contains the external debt numbers for the year 2010.

Table 4.2 : Share of Public and Private Sector in Long-term External Debt of Developing Countries (per cent)

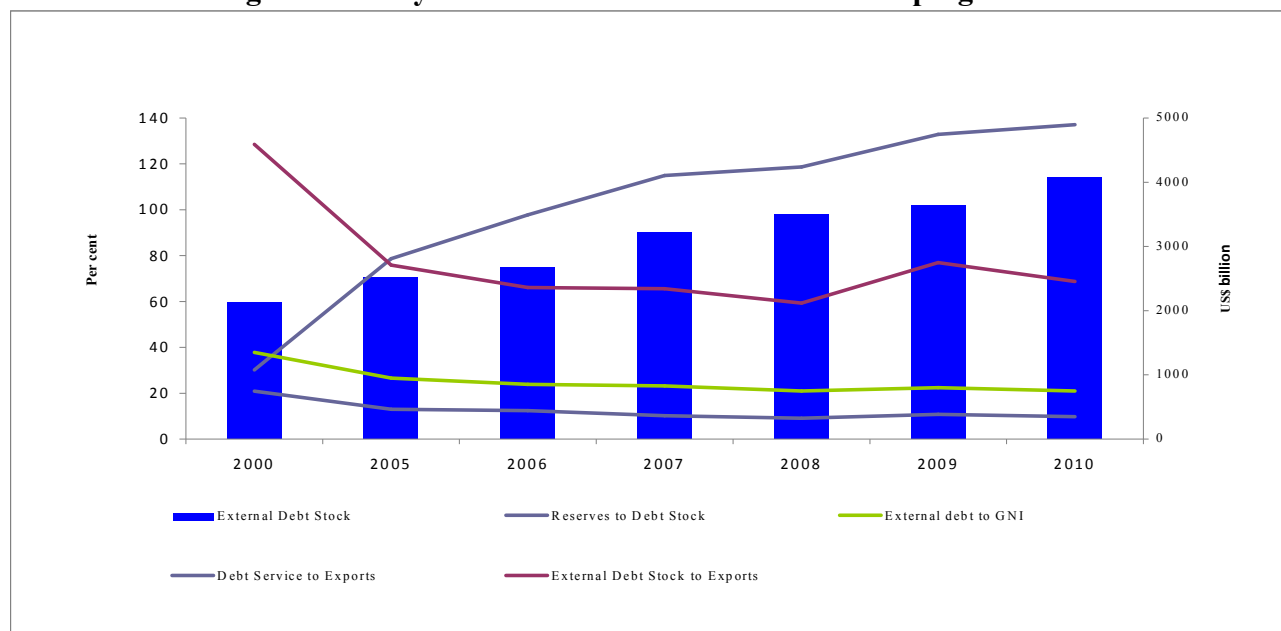
Year	Public sector	Private sector
1	2	3
2000	72.1	27.9
2005	65.1	34.9
2006	60.2	39.8
2007	55.3	44.7
2008	51.3	48.7
2009	52.1	47.9
2010	52.8	47.2

Source: World Bank, Global Development Finance Report, 2012.

4.2.3 The rising level of external debt stock does not necessarily translate into increasing debt burden, as it would also depend upon the rate of growth of income and export earnings vis-a-vis the accumulation of new external obligations. The key debt indicators of developing countries in the decade of 2000s witnessed improvement up to the year 2008, as indicated by external debt to gross national income (GNI) and export earnings ratios. During the period 2000 - 2008, exports rose sharply, led by increased export volume and the high international prices for primary commodities. Further, changing composition of capital flows from debt to equity and large scale forgiveness of external debt obligations for low-income countries, played an important role in reducing the debt burden. External debt stock as a ratio of exports was 59.3 per cent in 2008 vis-a-vis 128.5 per cent in 2000. In terms of GNI, it declined to 21.0 per cent in 2008 from 37.8 per cent in 2000.

4.2.4 Due to the impact of global crisis, exports declined by almost 20 per cent in 2009 vis-a-vis 2008. Together with higher external borrowings to finance current account deficit and fiscal stimulus measures, this led to increase in the ratio of total debt stock to exports to 77 per cent, the highest level since 2005 (Figure 4.1). The ratio of debt stock to GNI also rose, reflecting the 2 per cent decline in developing countries' combined GNI. The rapid recovery from the global crisis in 2010 however, increased GNI in many developing countries by an average of 20 per cent (at market price), with their combined exports rising by 26 per cent, leading to improvement in the ratio of debt to GNI and debt to export earning to 21 per cent and 69 per cent, respectively.

Figure 4.1: Key External Debt Indicators of Developing Countries



4.3 Capital Flows to Developing Countries

4.3.1 Increase in net capital flows to developing countries in 2010 was accompanied by marked change in composition between equity and debt flows (Box 4.1). Over the past decade, net equity flows to developing countries have consistently surpassed the debt related flows, reaching 97 per cent of aggregate net capital flows in 2002 and accounting for 75 per cent in 2009. However, periods of rapid increase in capital flows have often been marked by a reversal from equity to debt. For example, the net capital flows in 2007 increased by 65 per cent to US\$ 1,133 billion over the 2006 level, mainly driven by debt flows from private creditors (mostly to private sector corporate borrowers in developing countries). A similar pattern occurred in 2010 when net financing by private creditors, though largely of short-term nature, fuelled the rise in net capital flows. The net debt related flows in 2010 increased by close to 200 per cent to US\$ 495 billion from US\$ 167 billion in 2009. Share of net debt flows from private creditors increased from 51.6 per cent in 2009 to 85.6 per cent in 2010.

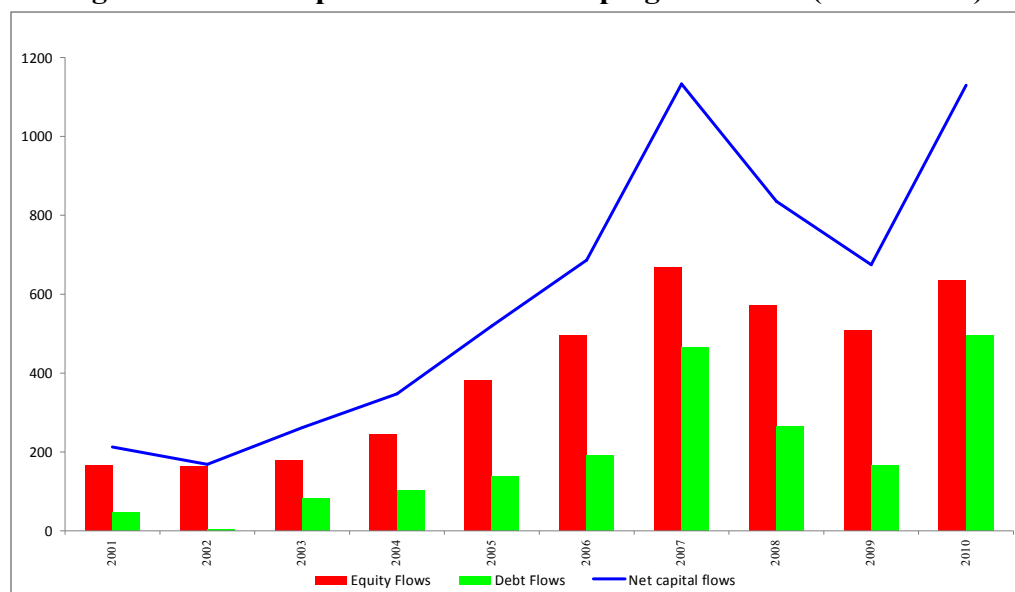
Box 4.1: Trends in Capital Flows to Developing Countries - 2001 to 2010

1. Magnitude

International net capital flows to developing countries increased from US\$ 302 billion in the first half of the decade of 2000s to US\$ 892 billion in the second half of 2000s (average annual). With significant increase (68 per cent) in 2010 over 2009, capital flows at US\$ 1.1 trillion were equivalent to pre-crisis level in 2007 (Figure 4.2). In term of gross national income (GNI), increase in net capital flows was however less striking: 5.8 per cent in 2010 from 4.1 per cent in 2009 but well short of 8.1 per cent in 2007.

Debt flows from private creditors were close to five times their 2009 level, driven by a massive rise in short-term debt and a strong rebound in bond issuance by public and private sector borrowers. Equity flows in the form of foreign direct investment and portfolio flows increased by 27 per cent and 18 per cent respectively, bringing total equity flows from private sector to US\$ 635 billion in 2010, only marginally below their 2007 all-time high of US\$ 667 billion. Net inflow of debt related financing from official creditors (excluding grants) declined by 11 per cent, with those from the IMF down almost 50 percent from their 2009 level. By contrast, support from IBRD continued to increase with net inflows rising by a further 45 per cent in 2010. Net inflows from other official creditors in 2010 held steady at their 2009 level.

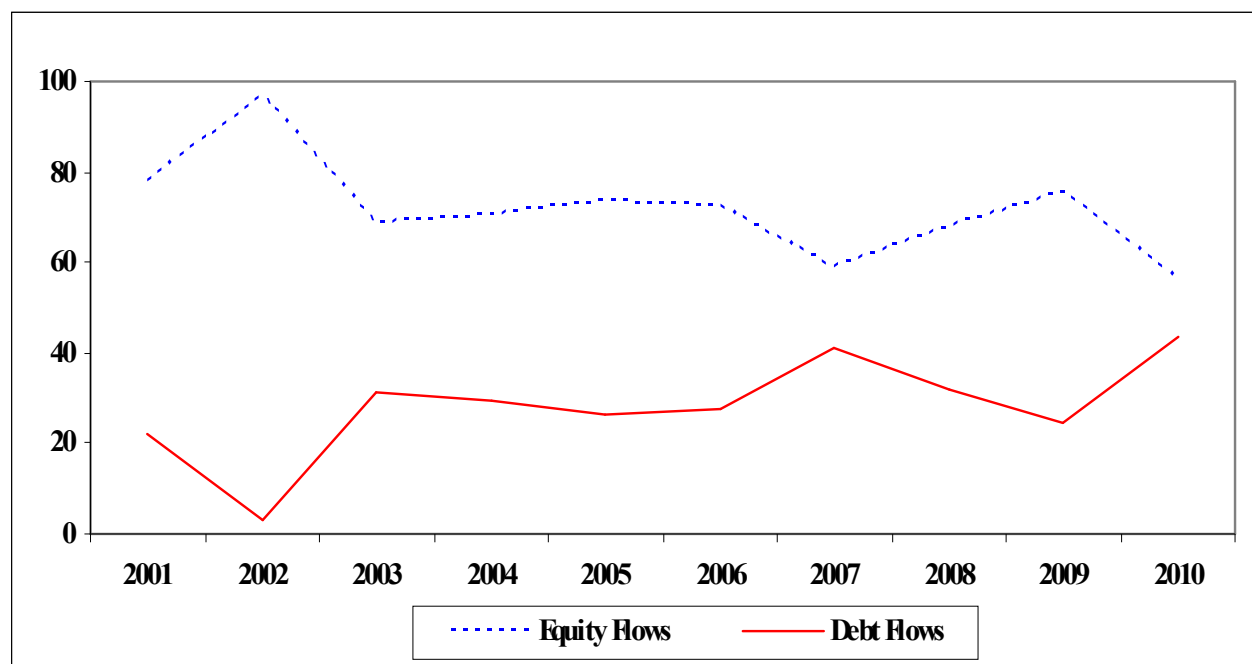
Figure 4.2: Net Capital Flows to Developing Countries (US\$ billion)



2. Composition

Composition of capital flows during the decade of 2000s witnessed a change in favor of debt flows. Share of debt related flows in net capital flows of all developing countries increased from 22.2 per cent in 2001 to 26.5 per cent in 2005 and further to 43.8 per cent in 2010. During the same period, the share of equity flows declined from 77.8 per cent in 2001 to 73.5 per cent in 2005 and further to 56.2 per cent in 2010 (Figure 4.3).

Figure 4.3: Net Capital Flows-Percentage Share of Debt and Equity Flows



3. Major Recipients of Capital Flows

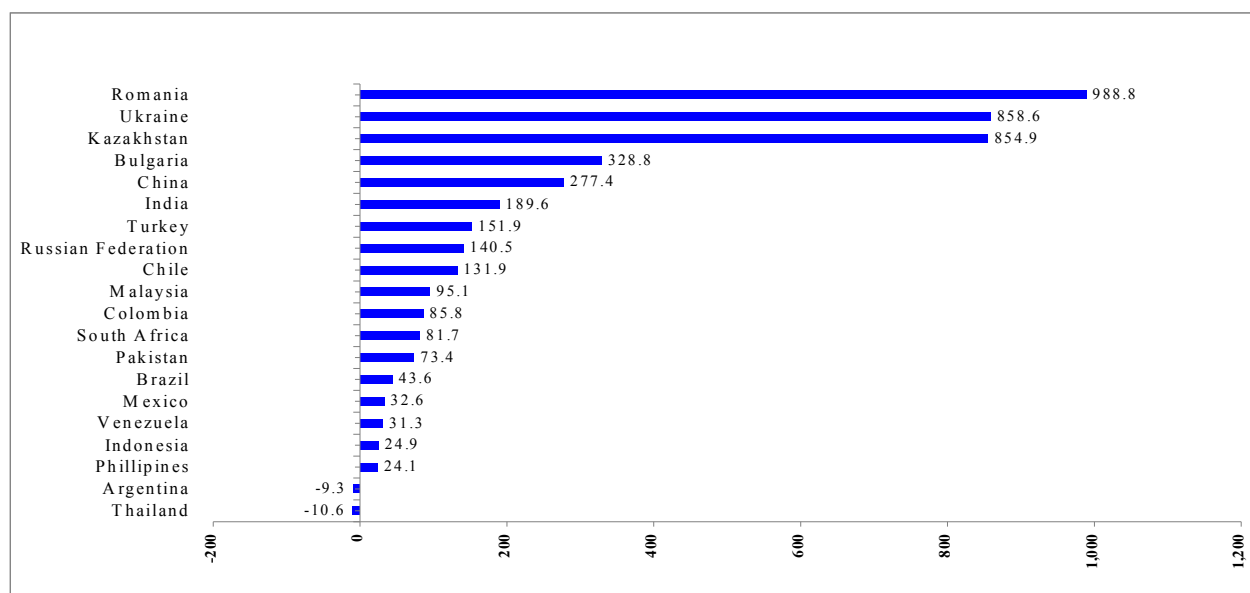
Capital flows to developing countries are heavily concentrated in countries such as China, Brazil and India. In 2010, these three countries together accounted for 53.6 per cent (component-wise: 32.5 per cent equity and 21.1 per cent debt flows) of net capital flows of all developing countries. China's share in net capital flows of all developing countries was 29.9 per cent, followed by Brazil (14.6 per cent) and India (9.1 per cent).

Source: Global Development Finance 2012, World Bank.

4.4 External Debt of Top Twenty Developing Debtor Countries

4.4.1 In 2010, external debt of top twenty developing debtor countries together stood at US\$ 3,308.6 billion, accounting for about 81.2 per cent of total external debt of US\$ 4,076.3 billion of all 129 developing countries. Among the top twenty debtor countries, the external debt stock of *two* countries (Thailand and Argentina) showed decline, while the external debt of *eighteen* countries recorded increase between 2000 and 2010. The increase in external debt stock was in the range of 24 per cent to about 989 per cent. A sharp rise was noticed in the external debt stock of Romania (988.8 per cent), Ukraine (858.6 per cent) Kazakhstan (854.9 per cent) and Bulgaria (328.8 per cent). China and India recorded an increase of 277.4 per cent and 189.6 per cent respectively in total external debt during the period 2000-2010 (Figure 4.4).

Figure 4.4: International Comparison of Change in External Debt Stock between 2000 to 2010 (Per cent)



4.5 India's External Debt Position in International Perspective

4.5.1 India's external debt position in terms of absolute debt stock remained at number fifth in 2010, after China, Russian Federation, Brazil and Turkey (Table 4.3). In terms of external debt stock to GNI ratios, which shows the magnitude of external debt in relation to national income, India's position (16.9 per cent) was the *fifth* lowest among the top twenty debtor countries of the developing world with China having the lowest ratio of 9.3 per cent.

4.5.2. In terms of the cover of external debt provided by foreign exchange reserves, India's position was fifth highest at 103.5 per cent after China, Thailand, Malaysia and Russia. The cover of reserves for external debt across the countries remained in the ranges of 23.8 per cent (Kazakhstan) to 531.2 per cent (China) in 2010. The ratio of short-term to total debt ranged between 4.4 per cent (Pakistan) to 63.4 per cent (China) (Figure 4.5) among the top twenty developing debtor countries. India's position at 19.4 per cent was the *thirteenth* lowest. These estimates may not however be entirely comparable due to differences in coverage.

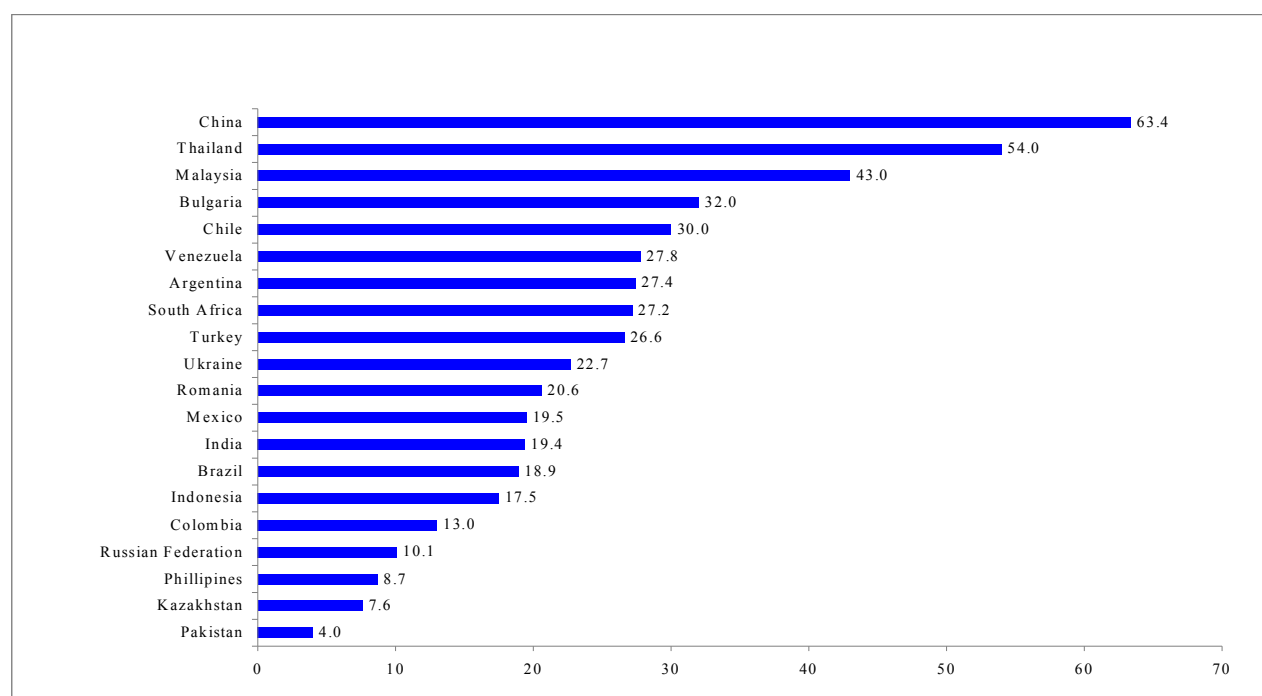
Table 4.3 : International Comparison of Top Twenty Developing Debtor Countries, 2010

County		Total external debt stocks (US\$ million)	Total debt to Gross National Income	Debt Service Ratio	Foreign Exchange Reserve to Total Debt
(Per cent)					
1	2	3	4	5	6
1	China	548,551	9.3	3.3	531.2
2	Russian Federation	384,740	26.9	12.8	124.6
3	Brazil	346,978	16.9	19	83.2
4	Turkey	293,872	40.4	36.7	29.3
5	India	290,282	16.9	5.6	103.5
6	Mexico	200,081	19.5	9.8	60.3
7	Indonesia	179,064	26.1	16.6	53.7
8	Argentina	127,849	36.1	16.7	40.8

	County	Total external debt stocks (US\$ million)	Total debt to Gross National Income	Debt Service Ratio (Per cent)	Foreign Exchange Reserve to Total Debt
1	2	3	4	5	6
9	Romania	121,505	76.4	31.2	39.5
10	Kazakhstan	118,723	94.3	71.4	23.8
11	Ukraine	116,808	85.9	40.7	29.6
12	Chile	86,349	45.9	15.2	32.2
13	Malaysia	81,497	35.4	5.2	130.7
14	Philippines	72,337	36.2	18.4	86.2
15	Thailand	71,263	23.4	4.8	241.4
16	Colombia	63,064	22.8	21	44.5
17	Pakistan	56,773	31.3	15.2	30.4
18	Venezuela	55,572	14.3	8.8	53.4
19	Bulgaria	48,077	104.8	14.2	35.8
20	South Africa	45,165	12.7	4.9	97.0

Note: Countries are arranged based on the magnitude of debt presented in column no.3 in the Table. Source: World Bank, Global Development Finance, 2012.

Figure 4.5: International Comparison of Short Term Debt to Total External Debt, 2010 (Percent)



4.5.3 Present Value (PV) concept is considered as a useful measure of 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 PV of India's external debt was US\$ 252.8 billion in 2010, with the ratios of PV of external debt to Gross National Income and export of goods and services at 18 per cent and 79 per cent respectively (Table 4.4).

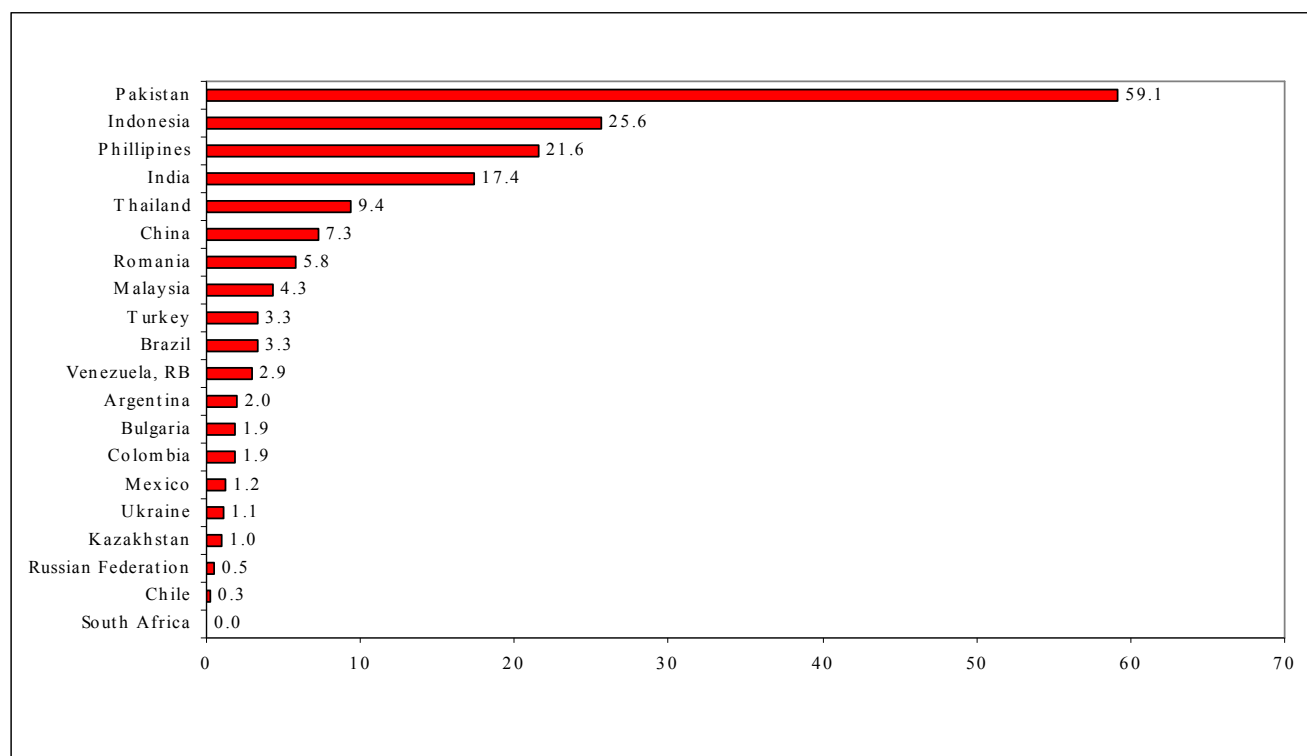
Table 4.4: Present Value based Indicators of Top Twenty Developing Debtor Countries, 2010

Sl. No.	Countries	Total Debt Stock 2010	PV of debt 2010	Ratio of PV of debt to Gross National Income	Ratio of PV of debt to export of Goods and Services
		(US\$ million)		(Per cent)	
1	2	3	4	5	6
1	China	548,551	522,861	10	31
2	Russian Federation	384,740	347,210	25	72
3	Brazil	346,978	326,721	19	146
4	Turkey	293,872	270,204	39	165
5	India	290,282	252,804	18	79
6	Mexico	200,081	178,631	18	60
7	Indonesia	179,064	159,754	28	102
8	Argentina	127,849	121,281	37	150
9	Romania	121,505	101,112	58	171
10	Kazakhstan	118,723	101,695	89	155
11	Ukraine	116,808	107,452	75	144
12	Chile	86,349	78,746	48	99
13	Malaysia	81,497	75,406	36	33
14	Philippines	72,337	62,514	35	100
15	Thailand	71,263	66,153	24	31
16	Colombia	63,064	92,182	38	212
17	Pakistan	56,773	41,425	24	159
18	Venezuela	55,572	55,591	16	70
19	Bulgaria	48,077	44,915	95	159
20	South Africa	45,165	44,196	15	45

Source: World Bank, Global Development Finance, 2012.

4.5.4 The share of concessional credit in total external debt in majority of the top twenty debtor countries was below 5 per cent (Figure 4.6). India's share of concessional credit in total external debt was the *fourth* highest (17.4 per cent), after Pakistan (59.1 per cent), Indonesia (25.6 per cent) and Philippines (21.6 per cent).

Figure 4.6: International Comparison of Share of Concessional in Total External Debt, 2010 (per cent)



4.5.5 The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the IMF, brings together detailed external debt data of countries that are subscribing to IMF's Special Data Dissemination Standard (SDDS)/General Data Dissemination System (GDDS). As per the latest QEDS data available for end March 2012, India ranked at the fourth position after Russian Federation, Brazil and Poland, among developing debtor countries⁵. The external debt position at the end of the first quarter of the calendar year 2012 for countries that subscribe to this arrangement is published by the World Bank (<http://go.worldbank.org/GWMYALHYQ0>) and is given at Annex XIV.

4.6 Summary

4.6.1 International comparison based on World Bank's 'Global Development Finance, 2012' indicates that India's key debt indicators, especially debt to GNI ratio, debt service ratio, short-term to total external debt and the cover of external debt provided by foreign exchange reserves were in comfortable zone. The element of concessionality in India's external debt portfolio continues to be relatively high as compared to the peer group.

⁵ China's external debt data at end-March 2012 is not available in the QEDS database. In the past years, China's external debt in absolute terms was higher than that of India.

CHAPTER 5

SOVEREIGN EXTERNAL DEBT

5.1 Introduction

5.1.1 Sovereign external indebtedness or the extent of external liabilities of the Government has assumed importance in the backdrop of ongoing sovereign debt crisis in the euro zone. The external debt however, constitutes only around 11 per cent of the total public debt in India. Government of India, unlike several other economies, does not access international capital markets for funds and the bulk of government borrowings are primarily from multilateral and bilateral sources and are of long maturities.

5.1.2 As per Article 292 of the Indian Constitution, the Central Government can borrow abroad upon the security of the Consolidated Fund of India within limits (if any) specified by the Parliament from time to time, while Article 293 of the Indian Constitution mandates that State Governments can borrow only from internal sources. In pursuance of a prudent external debt management policy, the Government of India has been borrowing only from the multilateral and bilateral sources. This chapter provides an overview of emerging trends in the country's sovereign external debt, explicit contingent liabilities of the Government, debt service payments and projected debt service obligations under Government Account up to the year 2021-22.

5.2 Composition of Sovereign External Debt

5.2.1 During end-March 2011 and end-March 2012, sovereign external debt (SED) increased by 4.9 per cent from US\$ 78.1 billion to US\$ 81.9 billion. However, the share of sovereign debt in total external debt has *declined* over the years. Table 5.1 presents a break-up of SED under two categories – (i) External Debt on Government Account under External Assistance and (ii) 'Other Government External Debt' that comprises Rupee debt owed to Russia, defence debt, SDR allocations by IMF and FII investment in Government securities.

5.2.2 Debt from multilateral sources has dominated India's SED on Government Account and has remained in the range of 68-70 per cent during the five year period 2007 to 2012. Amongst bilateral creditors, the Government owed US\$ 15.0 billion to Japan, followed by Germany (US\$ 2.7 billion), Russian Federation (US\$ 1.4 billion), France (US\$ 0.33 billion) and the United States (US\$ 0.29 billion) at end-March 2012. Figure 5.1 shows that at end-March 2012, Japan was the single largest bilateral creditor (76.2 per cent), followed by Germany (13.7 per cent) and the Russian Federation (6.9 per cent).

Table 5.1: India's Sovereign External Debt

		(US\$ million)					
Sl. No.	Category	at end-March					
		2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8
I.	External Debt on Govt.						
	Account under External Assistance (A+B)	46,155	52,541	51,816	55,235	62,294	63,374
A	Multilateral (1 to 5)	32,515	36,171	35,724	37,825	42,579	43,686
	<i>Multilateral Credit as percent of Govt. Account debt</i>	<i>70.4</i>	<i>68.8</i>	<i>68.9</i>	<i>68.5</i>	<i>68.4</i>	<i>68.9</i>
1.	IDA	24,548	26,496	24,758	25,380	26,637	26,853

Sl. No.	Category	at end-March					
		2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8
2.	IBRD	5,015	5,662	5,878	6,397	8,774	8,897
3.	ADB	2,623	3,650	4,766	5,717	6,813	7,568
4.	IFAD	280	312	282	288	313	326
5.	Others	49	51	40	43	42	42
B	Bilateral (6 to 12)^a	13,640	16,370	16,092	17,410	19,715	19,688
<i>B. Bilateral Credit as percent of</i>							
	<i>Govt. Account debt</i>	<i>29.6</i>	<i>31.2</i>	<i>31.1</i>	<i>31.5</i>	<i>31.6</i>	<i>31.1</i>
6.	Japan	8,720	10,806	11,110	12,444	14,744	14,995
7.	Germany	2,445	2,849	2,451	2,458	2,662	2,702
8.	United States	589	512	435	380	333	298
9.	France	560	612	472	421	392	325
11.	Russian Federation	1,321	1,585	1,619	1,702	1,579	1,365
12.	Others	5	6	5	5	5	4
II.	Total Other Govt. External Debt (C+D)	3,205	5,529	4,058	11,832	15,777	18,521
C.	Other Govt. External Debt (Long term)	2,879	4,914	3,119	10,314	12,935	12,414
D.	Other Govt. External Debt (Short-term)	326	615	939	1,518	2,842	6,107
III.	Total Sovereign External Debt (I+II)	49,360	58,070	55,874	67,067	78,071	81,895

Note : Figures in parentheses indicates per cent of external debt on Government Account under external assistance.

a: Includes rupee debt (civilian).

PR: Partially Revised; QE: Quick Estimates.

Figure 5.1: Composition of Bilateral Sovereign Debt at end-March 2012 (per cent)

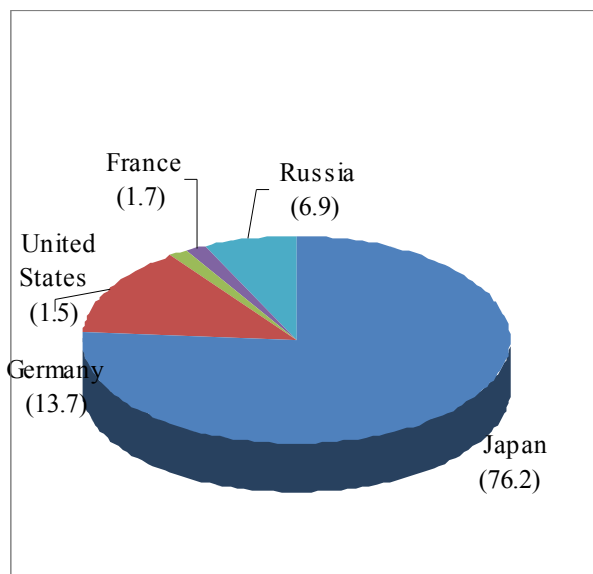
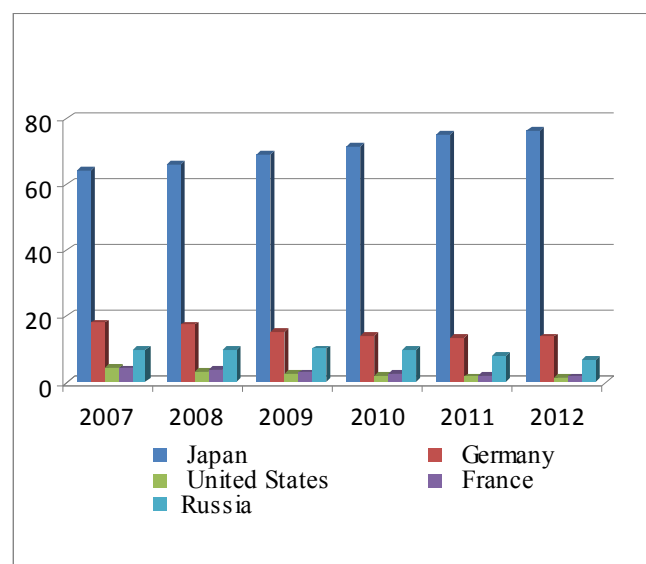


Figure 5.2: Changing Composition of Bilateral Sovereign Debt (per cent)



Box 5.1: Changing Composition of India's Sovereign Multilateral External Debt

An examination of India's multilateral sovereign external debt reveals that institution-wise (Figure 5.3) the International Development Association (IDA) accounts for the bulk (61.5 per cent), followed by the International Bank for Reconstruction and Development (IBRD, 20.4 per cent), the Asian Development Bank (ADB, 17.3 per cent), the International Fund for Agricultural Development (IFAD, 0.7 per cent) and 'Others' (0.1 per cent) that mainly includes the Organization of Petroleum Exporting Countries (OPEC).

As is evident from Figure 5.4, the composition of the country's multilateral sovereign debt is undergoing important changes. The share of IDA in total multilateral sovereign debt has decreased from around 75.5 per cent in 2007 to 61.5 per cent at end-March 2012, while that of IBRD increased from 15.4 per cent to 20.4 per cent over the same period. However, the share of ADB has more than *doubled* from 8 per cent in 2007 to 17.3 per cent at end-March 2012.

Figure 5.3: Composition of Sovereign Multilateral Debt at end-March 2012 (per cent)

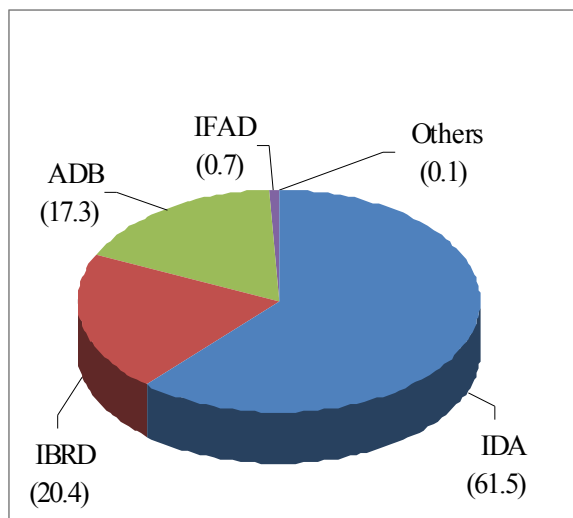
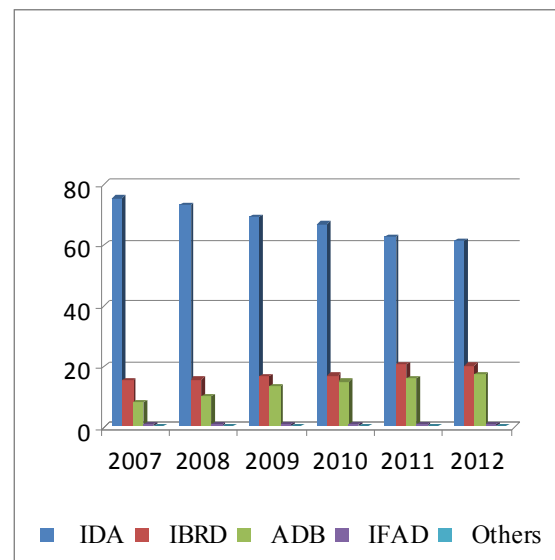


Figure 5.4: Changing Composition of Sovereign Multilateral Debt (per cent)



The above indicates that with India's emergence as a market economy, the Government's access to *non-concessional* multilateral borrowings is rising. This is most clearly evident in the case of IDA that has been the country's main source of concessional finance. In terms of per capita GNI, India is already above the threshold required to qualify for IDA borrowings on concessional terms. Terms of IDA borrowings are expected to harden in coming years, which carries implications for outflows on account of debt service. The following table compares 'old' (concessional) and 'new' terms that would be applicable to IDA loans from now onwards.

'Old' and 'New' Terms of IDA Borrowings

	'Old' Terms	'New' Terms
1. Grace Period	10 years	5 years
2. Maturity Period	35 years	25 years
3. Interest rate (%)	0.75*	IBRD interest rates (LIBOR+ Spread) minus 200 bps**.

*: This is on account of service charges.

** : Under IDA-16, besides service charges of 0.75 per cent an interest rate of 1.25 per cent p.a. is also applicable (blend/hardened terms).

5.3 Currency Composition

5.3.1 The currency composition indicates that SDR continues to remain the predominant currency in *sovereign external* debt, primarily due to borrowings from IDA. The share of SDR stood at 36.8 per cent, (Table 5.2) followed by the US dollar (25.9 per cent), Japanese yen (18.3 per cent), Indian rupee (15.3 per cent) and the Euro (3.7 per cent) at end-March 2012 (Annex XVII).

Table 5.2: Currency Composition of Sovereign External Debt

		(per cent)					
Sl. No.	Currency	at end-March					
		2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8
1.	SDR	43.3	40.7	39.5	41.7	38.1	36.8
2.	US Dollar	27.9	26.6	29.6	26.5	26.7	25.9
3.	Japanese Yen	17.7	18.6	19.9	18.6	18.9	18.3
4.	Indian Rupee	4.9	8.0	5.7	8.9	12.4	15.3
5.	Euro	6.1	6.0	5.2	4.3	3.9	3.7
6.	Pound Sterling	0.1	0.1	0.1	0.0	0.0	0.0
Total (1 to 6)		100.0	100.0	100.0	100.0	100.0	100.0

Figure 5.5: Currency Composition of India's Sovereign External Debt at end-March 2007 (per cent)

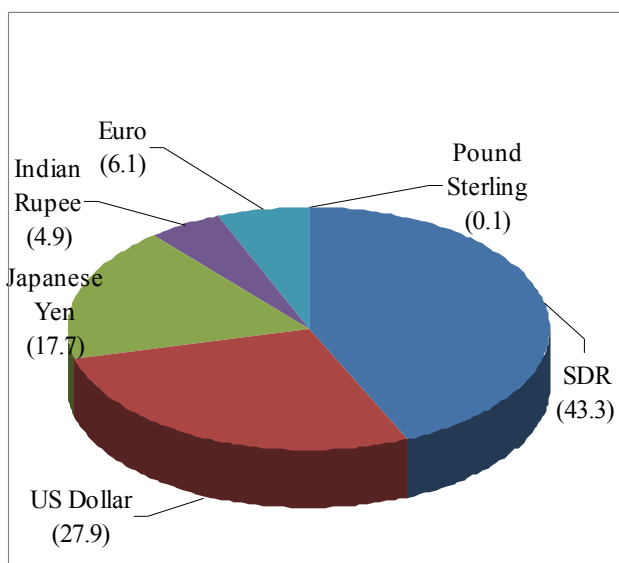
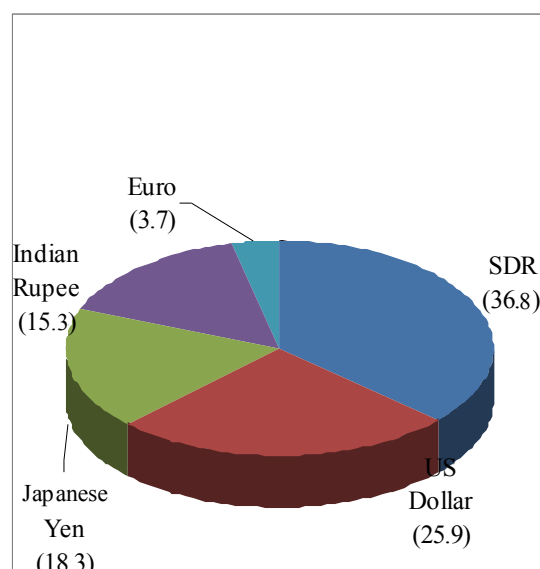


Figure 5.6: Currency Composition of India's Sovereign External Debt at end-March 2012 (per cent)



PR: Partially revised QE: Quick Estimates.

5.3.2 Comparison of Figures 5.5 and 5.6 indicates that the share of sovereign debt denominated in rupees has risen substantially over the period 2007-2012. The rise is significant in 2011-12 due to an increase in FII investment in Government securities, following an increase in the annual ceiling of such investments to US\$ 15 billion (from US\$ 10 billion) in November, 2011.

5.4 Debt Service

5.4.1 Sovereign external debt service payments that were around US\$ 2.8 billion during 2005-06 to 2008-09, stood at US\$ 3.4 billion at end-March 2012 (Table 5.3 and Annex XVIII).

Table 5.3 : Sovereign External Debt Service Payments

(US\$ million)

(April - March)								
Sl. No.	Debt Service	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 PR	2011-12 QE
1	2	3	4	5	6	7	8	9
I.	Debt Service Payments under Government							
	Account (A+B)	2,272	2,722	2,696	2,719	3,273	3,340	3,354
A	Multilateral (i + ii)	1,192	1,543	1,738	1,625	1,818	1,846	1,859
i.	Principal	790	959	1066	1110	1386	1,529	1,545
ii.	Interest ^a	402	584	672	515	432	317	314
B	Bilateral (iii +iv)	1,080	1,179	958	1,094	1,455	1,494	1,495
iii.	Principal	776	868	713	793	1,084	1,105	1,122
iv.	Interest	304	311	245	301	371	389	373
II.	Other Government Debt Service							
	Payments (v + vi)	572	162	121	101	97	69	79
v.	Principal	572	162	121	101	97	69	79
vi.	Interest	0	0	0	0	0	0	0
III.	Total Government External Debt Service							
	Payments (I+II)	2,844	2,884	2,817	2,820	3,370	3,409	3,433
vii.	Total Principal (i+ iii + v)	2,138	1,989	1,900	2,004	2,567	2,703	2,746
viii.	Total Interest (ii + iv + vi)	706	895	917	816	803	706	687

PR: Partially Revised QE: Quick Estimates.

Note: Debt service payments on account of FII investment in Government securities are not included.

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

5.5 Explicit Contingent Liability

5.5.1 *Explicit* Contingent liabilities refer to such legal obligations that may devolve on the Government budget in the event of a default by a borrower on the 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.

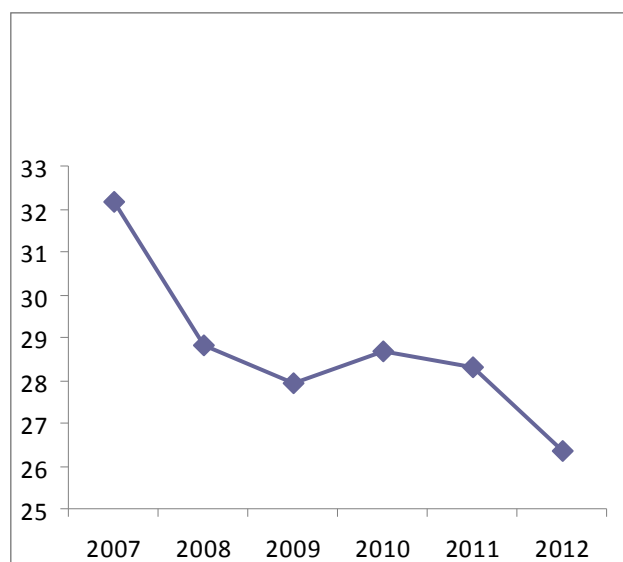
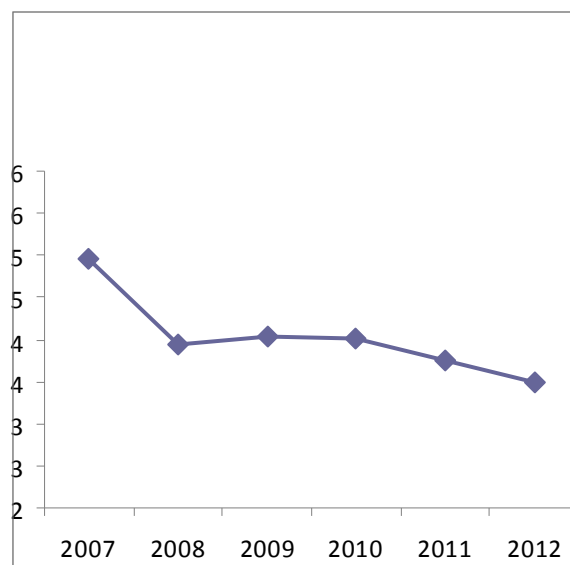
5.5.2 In accordance with the 'Fiscal Responsibility and Budget Management (FRBM) Rules', there is an overall cap of 0.5 per cent of GDP in any financial year on the quantum of Central Government guarantees. The Central Government extends guarantees primarily on loans from multilateral/bilateral agencies to various public sector undertakings/ financial institutions. Government guaranteed external debt has remained relatively low, in the range of US\$ 6.1- 9.2 billion during 2007 to 2012 (Table 5.4 and Annex XIX).

Table 5.4 : Central Government Guarantees on External Debt

(US \$ million)

Sl. No.	Component	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8
1.	Government Debt	49,360	58,070	55,870	67,067	78,072	81,895
2.	Non-Government Debt	123,000	166,337	168,628	193,868	227,859	263,924
3.	<i>of which with Government Guaranteed*: (a+b+c)</i>	6,107	6,563	6,807	7,786	8,551	9,218
	a. Financial Sector	1,446	1,422	1,800	2,276	2,746	2,805
	b. Public Sector	4,557	5,040	4,926	5,450	5,763	6,389
	c. Private Sector	104	101	81	60	42	24
4.	Total External Debt (1+2)	172,360	224,407	224,498	260,935	305,931	345,819
5.	Government and Government Guaranteed Debt (1+3)	55,467	64,633	62,677	74,853	86,622	91,113
6.	% of Govt. and Government Guaranteed Debt to Total External Debt	32.2	28.8	27.9	28.7	28.3	26.3
7.	% of Govt. Guaranteed Debt to Total External Debt	3.5	2.9	3.0	3.0	2.8	2.7
8.	% of Govt. Guaranteed to Total Non-Govt. Debt	5.0	3.9	4.0	4.0	3.8	3.5

PR: Partially Revised; QE: Quick Estimates.* Direct Credit guarantees on non-government external debt provided by the Central Government.

Figure 5.7: Government and Government Guaranteed Debt as Percentage of Total External Debt**Figure 5.8: Government Guaranteed Debt as percentage of Total Non-Government Debt**

5.5.3 As Figures 5.7 and 5.8 show, the share of Government and Government guaranteed debt in total external debt as well as that of non-government debt guaranteed by the Government are declining. Within the category of non-Government debt *guaranteed by the Government*, the share of the non-financial public sector has marginally declined from 74.6 percent in 2007 to 69.3 percent at end-March 2012. The share of the financial sector (that represents borrowings by banks and financial institutions) has registered a rise from around 24 percent of total non-Government guaranteed debt in 2007 to over 30 percent at end-March 2012.

5.6 Projections of Debt Service on Government Account

5.6.1 Total sovereign external debt service payments, based on disbursed outstanding debt at end March 2012, are estimated to rise gradually from US\$ 3.8 billion in 2012-13 to US\$ 4.7 billion in 2021-22 (Table 5.5). The institution wise break-up of both multilateral and bilateral components of debt service is contained in Annex XX.

Table 5.5: Creditor-wise projections of External Debt Service Payments under Government Account

		(US\$ million)									
Sl No.	Components	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		-13	-14	-15	-16	-17	-18	-19	-20	-21	-22
I	Multilateral	2,296	2,447	2,617	2,786	3,055	3,155	3,225	3,270	3,265	3,131
a)	Principal	1,941	2,086	2,249	2,412	2,675	2,782	2,866	2,929	2,946	2,834
b)	Interest	355	361	368	374	380	373	359	341	319	297
II	Bilateral	1,500	1,558	1,571	1,639	1,618	1,659	1,700	1,717	1,649	1,576
c)	Principal	1,109	1,161	1,180	1,261	1,260	1,324	1,392	1,437	1,397	1,350
d)	Interest	391	397	391	378	358	335	308	280	252	226
e)	Total Principal										
	(a+ c)	3,050	3,247	3,429	3,673	3,935	4,106	4,258	4,366	4,343	4,185
f)	Total Interest										
	(b+d)	746	758	759	752	738	708	667	621	571	522
III	Total Debt										
	Service Payments										
	(I+II)	3,796	4,005	4,188	4,425	4,672	4,814	4,925	4,987	4,914	4,707

Note: The projections are based on debt outstanding as at end-March 2012 on Government Account for multilateral and bilateral credit under External Assistance. The projections do not include debt service arising out of Committed Undisbursed Balance (CUB) and fresh borrowings. It excludes debt servicing on account of Defence debt, FII investment in Government securities.

5.7 Summary

5.7.1 Multilateral sources continue to dominate India's sovereign external debt and Japan remains the single largest bilateral creditor. A substantial portion of sovereign external debt is denominated in SDRs mainly on account of borrowings from IDA, as well as inclusion of 'IMF Credits' in the country's external debt liabilities since 2004-05. Rupee denominated sovereign debt has increased in 2011-12, following an increase in the FII investment ceiling in Government Treasury/securities. Government guaranteed external debt has continued to remain low.

5.7.2 The composition of multilateral sovereign borrowing is undergoing a transformation with increase in the share of IBRD and ADB. This implies lesser access to loans on concessional terms in the coming years, especially with terms on IDA borrowings beginning to harden. This carries implications for future debt service payments under Government Account.

CHAPTER 6

EXTERNAL SECTOR VULNERABILITIES

6.1 Introduction

6.1.1 India's external sector vulnerability indicators show signs of increasing risks, following deepening of sovereign debt crisis in euro area and continued global slowdown in recent period. Global risks could rise further with weakening economic recovery, sluggish growth prospects and continuing high debt and gross financing needs in several advanced economies. Aggravation of external sector risks is reflected in upward movement in India's current account deficit (CAD), falling reserve cover for imports and external debt, depreciating rupee exchange rate, rising magnitude of debt and debt-GDP ratio and increasing share of short-term and commercial borrowing in total external debt. India's International Investment Position has also weakened in 2011-12 with rise in debt liabilities and higher share of such liabilities in total financial liabilities of the country.

6.1.2 Reflecting increasing dependence on debt flows for external financing requirements, the level of external debt stock increased to US\$ 345.8 billion at end-March 2012 from US\$ 305.9 billion at end-March 2011. It could rise further in view of increasing recourse to debt related inflows⁶ for financing current account deficit, which is likely to remain elevated due to risks surrounding the global economic recovery and growth prospects in emerging economies. Dependence on debt flows tends to rise during crisis period due to liberalization measures, as volatile flows such as FII reduce significantly. Besides, dependence on external assistance has reduced significantly over the years with rise in commercial borrowings and NRI deposits. Share of debt components in capital flows is presented in Table 6.1.

Table 6.1: Percentage Share of Debt Components in Net Capital Flows (Debt and Equity)

Component	1990-91	2000-01	2008-09	2009-10	2010-11	2011-12
1. External Assistance	31.2	4.6	33.0	5.6	8.0	3.4
2. Commercial Borrowings	31.9	48.7	106.3	3.9	20.2	15.3
3. Short-term Trade Credit	15.2	6.2	-26.8	14.6	17.7	9.8
4. Non-Resident Deposits	21.8	26.2	58.0	5.7	5.2	17.6

6.1.3 Heightened uncertainty and rising volatility in global financial market have highlighted the importance of sound debt and liquidity management in preventing external crises. This chapter discusses external sector vulnerabilities, which assume importance given the increasing integration of Indian economy with the global economy and its implications for macroeconomic and financial stability (Box 6.1).

Box 6.1: Globalization of Indian Economy

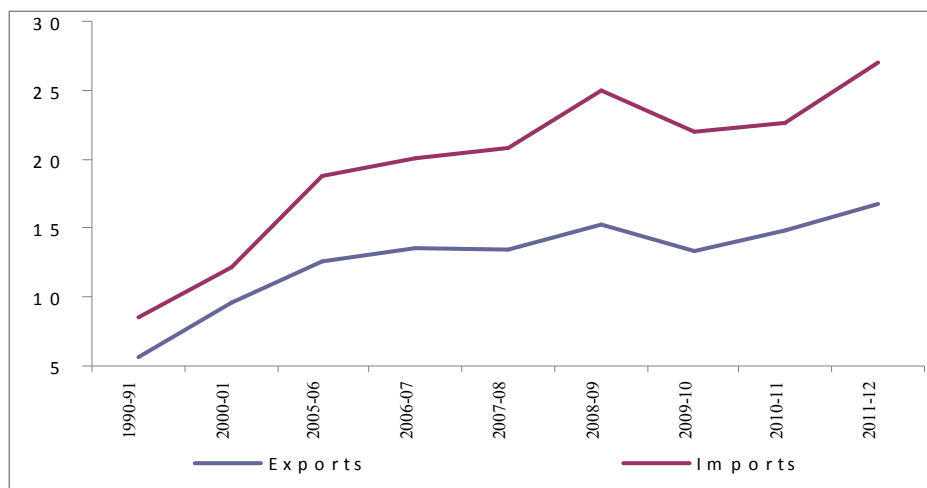
India has made substantial progress in opening up to the rest of the world. The country embarked on the path of globalization in the early 1990s, with the objective of improving overall productivity, competitiveness and efficiency of the economy to attain a higher and sustainable growth path. Concomitantly, industrial, financial and external sector reforms were initiated with a view to creating an environment conducive for the expansion of trade. Progressive dismantling of trade restrictions, current account convertibility, shift to market determined exchange rates and gradual liberalisation of capital account have all contributed to the higher degree of integration with the global markets. Buoyant growth in current account receipts led by merchandise exports, trade in software services and remittances, coupled with growing capital inflows have resulted in large accretion to foreign exchange reserves and improvement in import cover since 1990s.

⁶ As per provisional data, net inflows under NRI deposits (US\$ 6.5 billion) and ECB approvals (US\$ 8.1 billion) during April-June, 2012 stood higher than the corresponding period last year. However, during the same period, FDI inflows witnessed moderation and FII recorded net outflow of US\$ 1.7 billion.

India has attracted considerable capital inflows, primarily in the form of foreign direct and portfolio investment, external commercial borrowings and NRI deposits. Outward FDI also witnessed uptrend since the mid-2000s, reflecting large overseas acquisition deals of Indian corporate to gain market share and reap economies of scale amidst progressive liberalisation of the external payments regime. The trade performance also improved on the back of market and product diversification measures. The destination pattern of exports has changed remarkably, with the importance of developing economies as export market rising significantly.

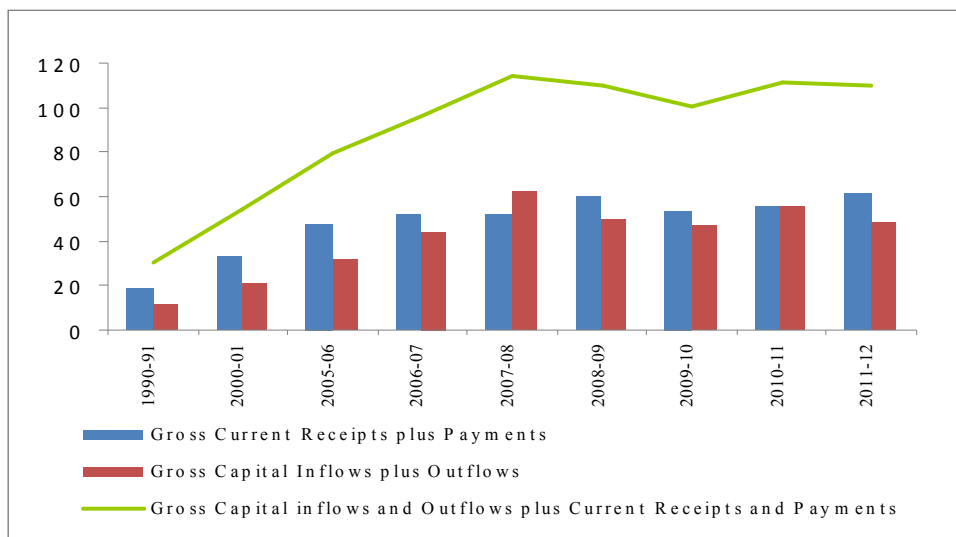
Growing external sector integration with the global economy is reflected in both current and capital account transactions. The exports and imports of goods have increased from 14.2 per cent of GDP in 1990-91 to about 44 per cent in the recent period (Figure 6.1). Two way external sector transactions (i.e, gross current account flows plus gross capital account flows) now exceed the size of country's GDP, rising from 30.6 per cent of GDP in 1990-91 to about 110 per cent in 2011-12 (Figure 6.2).

Figure 6.1 : India's Trade Performance (per cent of GDP)



The openness of economy has been accompanied by improvement in India's external position, as the debt to GDP ratio declined from about 29 per cent in the 1990s (annual average) to 20 per cent in 2011-12. The debt service ratio has also declined from 25 per cent in the decade of 1990s (annual average) to 6.0 per cent in 2011-12.

Figure 6.2 : External Current and Capital Account Transactions of India (per cent of GDP)



It is increasingly recognized that integration with the global economy provides both opportunities as well as challenges. Recent global crisis has highlighted the fact that volatilities in global financial markets could be transmitted to the emerging economies through both trade and financial channels due to increased integration. The unfolding of the euro zone crisis and the uncertainty surrounding the global economy have impacted the Indian economy causing drop in growth, higher current account deficit, declining capital inflows and depreciation of rupee.

6.2 Vulnerability of External Sector of Select Economies

6.2.1 Global Financial Stability Report of the IMF (April 2012) highlighted that many countries, particularly in Asia and Latin America, have higher stocks of reserves than they held at the onset of the Lehman crisis in 2008. However, a reversal of capital flows as a consequence of financial deleveraging and waning risk appetite could put severe strain on countries that have received large inflows and accumulated high short-term external debt. Table 6.2 analyses vulnerability indicators for major emerging economies. Column 2 indicates current account deficit (CAD) as a ratio of projected foreign exchange reserves in 2012. Higher value indicates greater vulnerability. India has a value of 17.8 per cent, which is high vis-a-vis many peers.

Table 6.2: Vulnerability of External Sector of Select Economies

Country		Percent of Projected Reserves of 2012*				
	Current account deficit in 2012*	External financing needs in 2012**	Short-term liabilities to BIS reporting banks	Debt portfolio Liabilities ***	Equity portfolio Liabilities ***	
	1	2	3	4	5	6
1.	China	-6.7	14	10	0	6
2.	India	17.8	33	44	11	46
3.	Indonesia	2.9	37	41	48	73
4.	Korea	-8.1	..	43	58	82
5.	Malaysia	24.4	24	28	48	51
6.	Philippines	-3.8	20	18	35	12
7.	Thailand	-4.7	22	9	8	36
8.	Brazil	17.4	29	27	61	85
9.	Colombia	33.5	56	35	82	12
10.	Mexico	5.2	39	30	87	85
11.	Venezuela	-76.7	153	13	89	1

*: World Economic Outlook (IMF) Projections. **: An IMF staff estimates of short-term debt at initial maturity at end-2011 plus amortization of medium-and long-term government debt during 2012. ***: Calculated from country's international investment position.

Source: Global Financial Stability Report, IMF, April 2012.

6.3 Intensification of EU Crisis and Rising Risks to Financial Stability

6.3.1 As per the Market Update of the Global Financial Stability Report of the IMF (July 2012), risks to financial stability have increased in recent period with increasing strains in European funding markets and elevated deleveraging pressures. Funding conditions for many peripheral banks and firms have deteriorated despite ample liquidity provided by the European Central Bank's refinancing operations. Interbank conditions remain strained, with very limited activity in unsecured term markets, and liquidity hoarding by core euro area banks. Bank bond issuance has declined substantially with limited investor appetite even at higher interest rates. Measures to stabilize the Spanish banking system have not yet restored market confidence.

6.3.2 Emerging markets are facing uncertainty about external conditions that impinge on their economic performance. There are severe concerns about rapid depreciation and increased volatility of domestic currencies. There are also concerns about slowing growth in many emerging economies. Emerging economies are also increasingly more vulnerable to spillovers from the euro area crisis. Similarly, fiscal uncertainties in the United States present a latent risk to financial stability of the global system.

6.4 India's External Sector Vulnerability Indicators

6.4.1 India's external sector vulnerability indicators exhibited signs of deterioration during 2011-12, reflecting impact of deepening euro zone sovereign debt crisis and rising uncertainties in the global economy, together with slowdown in advanced economies, moderating growth in emerging market economies and weakening domestic economy. This is reflected in (i) declining reserve cover for imports (7.1 months in 2011-12), (ii) rising debt-GDP ratio and debt service ratio; (iii) falling reserve cover for external debt (85.1 per cent at end-March 2012); (iv) rising share of commercial borrowings in total external debt; (v) increasing magnitude of short-term debt and short-term to total debt ratio; and (vi) weakness in country's balance sheet as reflected in international investment position with rising and relatively higher share of debt liabilities in total international financial liabilities. The share of debt liabilities to total external financial liabilities moved up to 51.1 per cent at end-March 2012 from 47.9 per cent at end-March 2011 (Figure 6.3 to 6.7).

Recent Movement of Key External Sector Vulnerability Indicators

Figure 6.3: Reserves Cover for Imports and External Debt

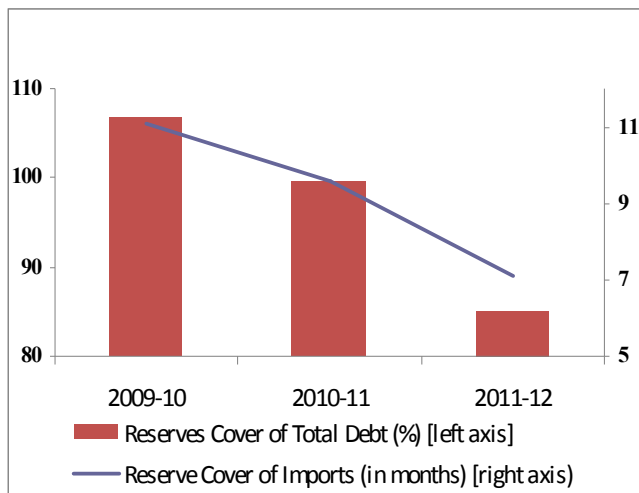


Figure 6.4 : Movement in Short-term External Debt (per cent)

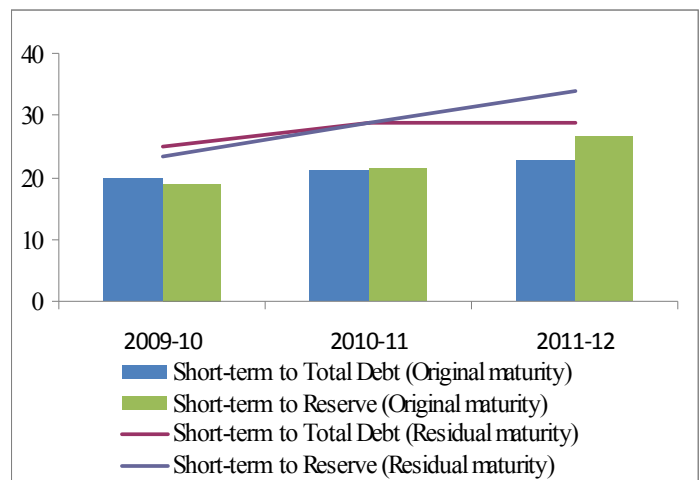


Figure 6.5: Concessionally Element in External Debt (per cent)

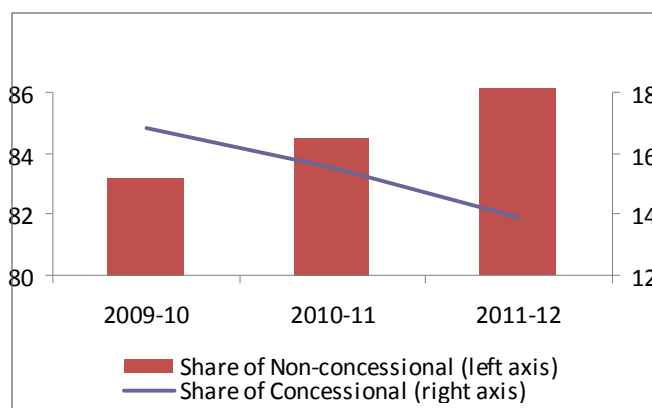


Figure 6.6 : Movement in Key Debt Indicators (per cent)

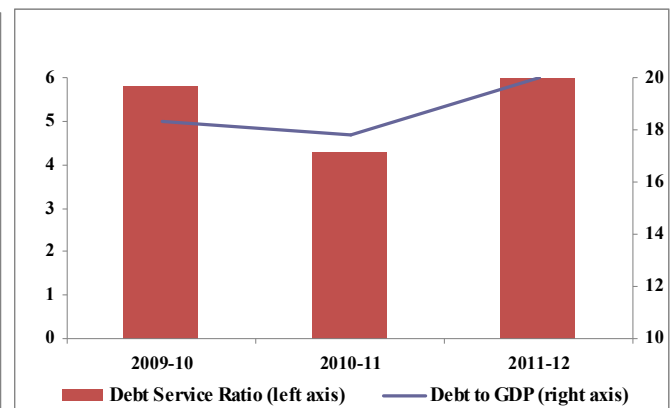
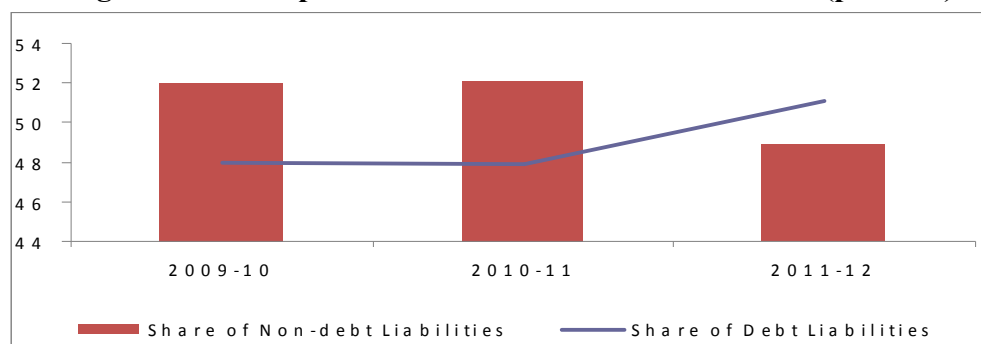


Figure 6.7 : Composition of India's External Liabilities (per cent)



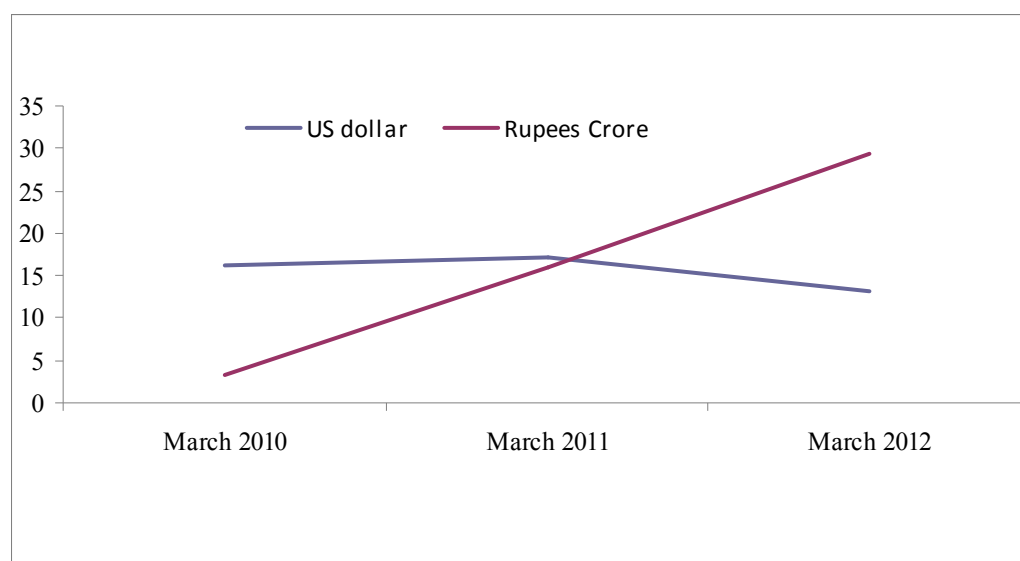
6.4.2 The *Financial Stability Report* of the Reserve Bank of India (June 2012) observed that risks to financial stability have worsened, primarily due to global risks and domestic macroeconomic conditions. Moderation in capital inflows has necessitated financing of the CAD by drawing down foreign exchange reserves in recent quarters. This has weakened the Balance of Payments (BoP) situation. Financial markets, particularly the foreign exchange market, continue to correct downwards and experience heightened volatility.

6.5 Volatility in Rupee Exchange Rate

6.5.1 The rupee exchange rate has witnessed significant volatility, particularly after the credit downgrading of USA in August 2011 and deepening of the euro zone crisis. India has traditionally been a current account deficit country, with a few exceptions, that has been financed by capital flows. The present decline in the rupee value reflects pressure due to widening current account deficit coupled with moderation in capital flows. In the pre-crisis years and also before the onset of euro-zone crisis, India had capital flows in excess of current account deficit that was creating pressure on the rupee to appreciate. The net capital flows are now short of the current account deficit, putting downward pressure on the rupee. Such volatility in the value of rupee impairs investor confidence and has implications for overall macroeconomic management, especially given the size of India's balance of payments, which has increased substantially over the years.

6.5.2 A depreciating currency leads to deterioration in import bill in rupee terms and adversely affects corporate balance sheets and profitability, particularly in case of high exposure to external commercial borrowings. Depreciating currency would also lead to mark-to-market (MTM) losses for corporate having large foreign debt liabilities. The significant rise in India's external debt in recent years is mainly due to higher external commercial borrowings, which has been a cause of concern, as the depreciating rupee would lead to higher debt service burden in rupee terms. The impact of rupee depreciation could be seen with relatively higher growth in external debt stock in rupee terms vis-a-vis growth in external debt in US dollar terms in the recent period (Figure 6.8)⁷.

Figure 6.8 : Percentage Variations (YoY) in External Debt Stock in Terms of US Dollar and Rupee Crore



⁷ At end-March 2012, India's debt stock in US dollar terms had increased by 13.0 per cent, while it had increased by 29.4 per cent in rupee over the level of end-March 2011 estimate, reflecting the impact of declining rupee exchange rate.

6.5.3 A sharp fall in rupee value may be explained by the supply-demand imbalance in the domestic foreign exchange market due to widening current account deficit and moderation in capital flows. Besides, the strengthening of the US dollar in the international market on account of the safe haven status of the US Treasury, the heightened risk aversion and deleveraging due to the euro area crisis that impacted financial markets across emerging economies contributed to the decline. Apart from the global factors, there were several domestic factors that have contributed to the weakening trend in rupee, which include high inflation and growth slowdown. The size of foreign exchange reserves is a constraining factor in containing depreciation of rupee in the event of external shock and reversal of capital flows. It is therefore imperative that during times of surge in capital flows, when currency is under pressure to appreciate, measures are taken to build up reserve levels.

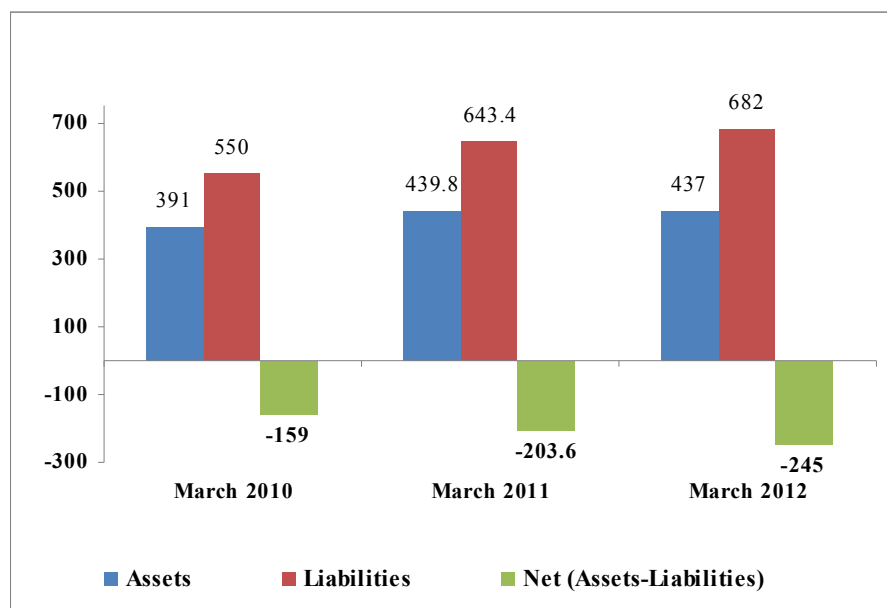
6.6 Size and Composition of International Investment Position

6.6.1 The composition and size of the external financial liabilities and assets on the country's financial balance sheet have been an important source of vulnerability. The high and rising share of short-term debt liabilities reflect financial weaknesses and could encourage investors to reassess their willingness to invest in a country. Significant liberalization of foreign flows through debt route could create problems, particularly when borrowings are in the form of foreign-currency denominated debt, as they could be a source of pressure on domestic foreign exchange market during times of BoP stress. Rise in such borrowings would also result in balance sheet problems for corporate when the value of currency depreciates significantly (as dollar liabilities of companies increase in the rupee terms).

6.6.2 Net International investment position, computed as a gap between the economy's external financial assets and liabilities, is an indicator of the country's strength in terms of sustainability of its external sector. International investment position (IIP) is, in fact, country's balance sheet of external transactions. In recent period, India's international financial assets witnessed moderation mainly due to fall in reserve assets, while the liabilities reflected significant increase on account of rise in FDI to India, external commercial borrowings (ECBs) and trade credit. As a result, net liabilities showed increasing trends in the recent period (Figure 6.9).

6.6.3 India's international liabilities are mainly portfolio investment, FDI and external commercial loans, while bulk of assets are in the form of foreign exchange reserve assets, followed by direct investment abroad by the corporate sector. The ratio of India's international financial assets to liabilities declined from 71.1 per cent in March 2010 to 68.4 per cent in March 2011 and further to 64.1 per cent in March 2012, as the trend of higher growth in liabilities vis-à-vis assets continued during 2011-12.

Figure 6.9 : Recent Movement of India's International Investment Position (US\$ billion)



6.6.4 The ratio of net IIP of India to GDP was (-) 13.9 per cent as at end-March 2012 [(-) 11.9 per cent at end-March 2011]. The ratio of total external financial assets to GDP declined to 24.8 per cent at end-March 2012 (25.6 per cent at end-March 2011), while the ratio of total external financial liabilities to GDP was placed at 38.8 per cent at end-March 2012, vis-a-vis previous year's level of 37.4 per cent.

6.7 Summary

6.6.1 The absence of a credible solution to the euro area problem is weighing on the growth prospects of emerging economies including India. Notwithstanding relative resilience, the Indian economy cannot escape from the developments abroad as it is increasingly integrated into the global economy. The unfolding of euro zone crisis and the uncertainty surrounding the global economy have impacted the Indian economy through lowering growth, falling business sentiments, higher current account deficit, declining capital inflows and depreciating rupee.

6.6.2 The external sector vulnerability indicators witnessed deterioration during 2011-12, raising concerns due to the significant role of external sector in macroeconomic and financial stability. Rising level of external debt and debt service ratio, weakening reserves cover for imports and external debt, worsening international investment position with rising net claims of non-resident on India underscore the need for more prudent external sector management. Vulnerability indicators could worsen further, given the unsettled global economic scenario and significant downside risks in global economy.

6.6.3 Global developments such as deleveraging by European banks have affected capital flows, especially to emerging markets including India. Keeping in view developments in global financial markets and macroeconomic situation, a number of measures have been initiated to improve capital inflows including liberalization of ECB and FIIs policy and greater flexibility to banks in mobilising non-resident deposits by deregulating interest rates on NRE and NRO accounts and raising the ceiling on interest rates on FCNR(B). These measures are expected to attract more foreign capital inflows. Further, measures have been also initiated to contain current account deficit⁸.

⁸ To lower the impact of gold imports on current account deficit, Government in the Union Budget 2012-13 proposed to increase basic custom duty on standard gold bars; gold coins of purity exceeding 99.5 per cent and platinum from 2 per cent to 4 per cent and on non-standard gold from 5 per cent to 10 per cent.

External Debt: Definition, Concepts and Dissemination of Data

I. Definitions and Concepts

1. External Debt

Gross external debt, at a point in time, 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 into 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 from 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, Russian Federation etc.

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 (iii) 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) 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 long maturity and less-than-market rates 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. Debt to GDP Ratio

The ratio of debt stock to GDP is derived by scaling the total outstanding debt stock (in rupees) at the end of the financial year by the Gross Domestic Product (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 risk is borne by the *borrower*, the characteristic feature of domestic currency denominated debt is that the *exchange 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** consist 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

and 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 AAAD, DEA, MoF and Department of Statistics and Information Management (DSIM), Reserve Bank of India (RBI). Around 60 percent of external debt is recorded in CS-DRMS 2000+, except for NRI deposits and short-term debt. FII investment and defence debt, minor portions of the external debt are also not under the preview of computerization.

(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.

Key External Debt Indicators (per cent)

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
1990-91	83,801	35.3	7.0	28.7	45.9	146.5	10.2
1991-92	85,285	30.2	10.8	38.7	44.8	76.7	8.3
1992-93	90,023	27.5	10.9	37.5	44.5	64.5	7.0
1993-94	92,695	25.4	20.8	33.8	44.4	18.8	3.9
1994-95	99,008	25.9	25.4	30.8	45.3	16.9	4.3
1995-96	93,730	26.2	23.1	27.0	44.7	23.2	5.4
1996-97	93,470	23.0	28.3	24.6	42.2	25.5	7.2
1997-98	93,531	19.5	31.4	24.3	39.5	17.2	5.4
1998-99	96,886	18.7	33.5	23.6	38.5	13.2	4.4
1999-00	98,263	17.1	38.7	22.0	38.9	10.3	4.0
2000-01	101,326	16.6	41.7	22.5	35.4	8.6	3.6
2001-02	98,843	13.7	54.7	21.1	35.9	5.1	2.8
2002-03	104,914	16.0 ^a	72.5	20.3	36.8	6.1	4.5
2003-04	112,653	16.1 ^b	100.3	18.0	35.8	3.9	3.9
2004-05	134,002	5.9 ^c	105.6	18.1	30.7	12.5	13.2
2005-06	139,114	10.1 ^d	109.0	16.8	28.4	12.9	14.0
2006-07	172,360	4.7	115.6	17.5	23.0	14.1	16.3
2007-08	224,407	4.8	138.0	18.0	19.7	14.8	20.4
2008-09	224,498	4.4	112.1	20.3	18.7	17.2	19.3
2009-10	260,935	5.8	106.8	18.3	16.8	18.8	20.0
2010-11PR	305,931	4.3	99.6	17.8	15.5	21.3	21.2
2011-12QE	345,819	6.0	85.1	20.0	13.9	26.6	22.6

PR : Partially Revised; QE: Quick Estimates.

^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.

India's External Debt Outstanding (Annual)

(₹ crore)

S.No.	Components of External Debt	End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I. MULTILATERAL		155,633	142,683	131,105	138,897	145,503	154,053	157,901	201,425	193,436	216,672	257,093
A. Government Borrowing		138,023	129,727	120,073	127,782	133,800	141,746	144,627	181,997	170,722	190,326	222,579
(i) Concessional		96,177	102,559	101,490	105,114	105,852	108,448	107,395	127,771	116,046	120,653	138,691
a) IDA		94,848	101,122	100,065	103,671	104,457	107,019	105,947	126,127	114,552	119,068	136,816
b) Others		1,329	1,437	1,425	1,443	1,395	1,429	1,448	1,644	1,494	1,585	1,875
ii) Non-concessional		41,846	27,168	18,583	22,668	27,948	33,298	37,232	54,226	54,676	69,673	83,888
a) IBRD		28,012	19,069	14,074	16,500	19,626	21,864	22,631	29,948	28,874	39,218	45,328
b) Others		13,834	8,099	4,509	6,168	8,322	11,434	14,601	24,278	25,802	30,455	38,560
B. Non-Government Borrowing		17,610	12,956	11,032	11,115	11,703	12,307	13,274	19,428	22,714	26,346	34,514
(i) Concessional		0	0	0	0	0	0	0	0	0	0	0
ii) Non-concessional		17,610	12,956	11,032	11,115	11,703	12,307	13,274	19,428	22,714	26,346	34,514
a) Public Sector		12,729	9,255	7,916	8,000	8,510	9,315	10,352	14,298	14,919	15,802	19,407
i) IBRD		7,298	4,378	4,402	4,462	4,594	4,550	4,690	7,105	8,544	9,193	11,092
ii) Others		5,431	4,877	3,514	3,538	3,916	4,765	5,662	7,193	6,375	6,609	8,315
b) Financial Institutions		3,736	3,177	2,902	2,789	2,628	2,414	2,350	3,721	5,385	7,511	10,290
i) IBRD		1,049	525	381	252	630	655	593	744	1,343	1,899	2,707
ii) Others		2,687	2,652	2,521	2,537	1,998	1,759	1,757	2,977	4,042	5,612	7,583
c) Private Sector		1,145	524	214	326	565	578	572	1,409	2,410	3,033	4,817
i) IBRD		929	298	0	0	0	0	0	0	0	0	0
ii) Others		216	226	214	326	565	578	572	1,409	2,410	3,033	4,817
II. BILATERAL		74,762	79,921	77,084	74,530	70,302	70,034	78,802	104,997	101,976	114,840	136,446
A. Government borrowing		56,302	60,243	58,121	57,458	54,593	53,810	59,391	74,662	71,584	80,406	91,641
(i) Concessional		55,418	59,688	57,742	57,207	54,468	53,810	59,391	74,662	71,584	80,406	91,641
ii) Non-concessional		884	555	379	251	125	0	0	0	0	0	0
B. Non-Government borrowing		18,460	19,678	18,963	17,072	15,709	16,224	19,411	30,335	30,392	34,434	44,805
(i) Concessional		6,885	8,013	8,876	7,471	6,949	1,727	1,737	3,262	3,169	4,101	6,821
a) Public Sector		4,278	5,152	5,759	5,653	5,285	1,241	1,226	1,156	1,121	1,621	4,137
b) Financial Institutions		2,607	2,861	3,117	1,818	1,664	486	511	2,106	2,048	2,480	2,684
c) Private Sector		0	0	0	0	0	0	0	0	0	0	0
ii) Non-concessional		11,575	11,665	10,087	9,601	8,760	14,497	17,674	27,073	27,223	30,333	37,984
a) Public Sector		4,822	5,116	4,851	4,353	3,628	7,420	10,097	15,076	13,845	13,723	14,396
b) Financial Institutions		3,708	3,571	3,119	2,847	2,386	3,828	3,735	4,311	3,436	3,754	3,887
c) Private Sector		3,045	2,978	2,117	2,401	2,746	3,249	3,842	7,686	9,942	12,856	19,701

Contd...

S.No.	Components of External Debt	End - March										(₹ crore)
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
III. IMF^a		0	0	4,381	4,503	4,378	4,484	4,479	5,188	27,264	28,163	31,528
IV. EXPORT CREDIT		26,110	23,750	20,553	21,976	24,175	31,237	41,296	73,772	76,011	83,109	101,815
a) Buyers' credit		16,147	13,421	11,061	13,040	16,088	23,617	33,134	64,046	66,849	73,272	88,218
b) Suppliers' credit		5,144	5,139	4,471	3,961	3,351	2,941	2,998	3,234	2,937	2,845	5,628
c) Export credit component of bilateral credit		4,819	5,190	5,021	4,975	4,736	4,679	5,164	6,492	6,225	6,992	7,969
d) Export credit for defence purchases		0	0	0	0	0	0	0	0	0	0	0
V. COMMERCIAL BORROWINGS		113,908	106,843	95,611	115,533	117,991	180,669	249,243	318,209	319,221	395,400	534,096
a) Commercial bank loans ^b		48,683	46,929	50,346	62,896	73,508	107,145	160,577	219,925	202,350	261,677	378,223
b) Securitised borrowings ^c		62,714	57,495	41,567	48,992	41,112	68,020	82,641	91,286	113,177	130,457	153,291
c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)		2,511	2,419	3,698	3,645	3,371	5,504	6,025	6,998	3,694	3,266	2,582
d) Self-Liquidating Loans		0	0	0	0	0	0	0	0	0	0	0
VI. NRI & FC(B&O) DEPOSITS^d		83,712	110,022	135,618	143,267	161,834	179,786	174,623	210,118	217,062	230,812	299,840
(Above one year maturity)												
a) NRI deposits		83,712	110,022	135,618	143,267	161,834	179,786	174,623	210,118	217,062	230,812	299,840
b) FC (B&O) Deposits ^e		0	0	0	0	0	0	0	0	0	0	0
VII. RUPEE DEBT^f		14,807	13,405	11,856	10,071	9,184	8,508	8,065	7,760	7,480	7,147	6,922
a) Defence		13,198	11,946	10,539	8,887	8,112	7,533	7,172	6,935	6,709	6,416	6,220
b) Civilian		1,609	1,459	1,317	1,184	1,072	975	893	825	771	731	702
VIII. TOTAL LONG TERM DEBT (I TO VII)		468,932	476,624	476,208	508,777	533,367	628,771	714,409	921,469	942,450	1,076,143	1,367,740
IX. SHORT-TERM DEBT		13,396	22,180	19,251	77,528	87,155	122,631	182,881	220,656	236,188	290,149	399,962
a) NRI deposits (up to one year maturity) ^d		4,724	9,320	1,321	0	0	0	0	0	0	0	0
b) FC(B&O) Deposits (up to one-year maturity) ^g		0	0	0	0	0	0	0	0	0	0	0
c) Trade-Related Credits		8,672	12,860	17,930	71,173	86,531	113,256	167,540	203,345	214,267	261,006	333,202
1) Above 6 Months		8,672	12,860	17,930	32,922	38,788	52,188	91,502	118,936	126,391	157,806	200,454
2) Upto 6 Months		0	0	0	38,251	47,743	61,068	76,038	84,409	87,876	103,200	132,748

Contd...

S.No.	Components of	End - March										(₹ crore)
	External Debt	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
d)	FII Investment in Govt. Treasury Bills and other instruments	0	0	0	6,355	624	1,732	2,603	10,522	15,153	24,214	48,066
e)	Investment in Treasury Bills by foreign central banks and international institutions etc.	0	0	0	0	0	712	620	534	467	225	326
f)	External Debt Liabilities of:	0	0	0	0	0	6,931	12,118	6,255	6,301	4,704	18,368
1)	Central Bank	0	0	0	0	0	2,185	4,458	3,892	3,139	693	871
2)	Commercial banks	0	0	0	0	0	4,746	7,660	2,363	3,162	4,011	17,497
X.	GRAND TOTAL (VIII+IX)	482,328	498,804	495,459	586,305	620,522	751,402	897,290	1,142,125	1,178,638	1,366,292	1,767,702

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

PR: Partially Revised QE : Quick Estimates.

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), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d Figures include accrued interest.

e The Scheme was discontinued in July, 1993.

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

g Special Short-term credits under Banker's Acceptance Facility (BAF).

Note: NRO Deposits are included under NRI Deposits from the quarter ending 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 ending 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.

India's External Debt Outstanding (Annual)

(US\$ million)

S.No.	Components of External Debt	End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I. MULTILATERAL		31,899	29,994	29,297	31,744	32,620	35,337	39,490	39,538	42,857	48,474	50,453
A. Government Borrowing		28,290	27,271	26,826	29,204	29,996	32,514	36,171	35,724	37,825	42,578	43,686
(i) Concessional		19,713	21,560	22,674	24,023	23,731	24,876	26,859	25,080	25,711	26,991	27,221
a) IDA		19,440	21,258	22,356	23,693	23,418	24,548	26,497	24,757	25,380	26,637	26,853
b) Others		273	302	318	330	313	328	362	323	331	354	368
ii) Non-concessional		8,577	5,711	4,152	5,181	6,265	7,638	9,312	10,644	12,114	15,587	16,465
a) IBRD		5,742	4,009	3,144	3,771	4,400	5,015	5,660	5,878	6,397	8,774	8,896
b) Others		2,835	1,702	1,008	1,410	1,865	2,623	3,652	4,766	5,717	6,813	7,569
B. Non-Government Borrowing		3,609	2,723	2,471	2,540	2,624	2,823	3,319	3,814	5,032	5,896	6,767
(i) Concessional		0	0	0	0	0	0	0	0	0	0	0
ii) Non-concessional		3,609	2,723	2,471	2,540	2,624	2,823	3,319	3,814	5,032	5,896	6,767
a) Public Sector		2,609	1,945	1,770	1,828	1,908	2,136	2,589	2,807	3,305	3,536	3,808
i) IBRD		1,496	920	984	1,020	1,030	1,043	1,173	1,395	1,893	2,057	2,177
ii) Others		1,113	1,025	786	808	878	1,093	1,416	1,412	1,412	1,479	1,631
b) Financial Institutions		766	668	651	637	589	554	587	730	1,193	1,681	2,018
i) IBRD		215	110	85	58	141	150	148	146	298	425	531
ii) Others		551	558	566	579	448	404	439	584	895	1,256	1,487
c) Private Sector		234	110	50	75	127	133	143	277	534	679	941
i) IBRD		190	63	0	0	0	0	0	0	0	0	0
ii) Others		44	47	50	75	127	133	143	277	534	679	941
II. BILATERAL		15,323	16,802	17,277	17,034	15,761	16,065	19,708	20,610	22,593	25,698	26,758
A. Government borrowing		11,540	12,664	12,987	13,132	12,239	12,344	14,853	14,655	15,860	17,988	17,987
(i) Concessional		11,359	12,547	12,900	13,074	12,211	12,344	14,853	14,655	15,860	17,988	17,987
ii) Non-concessional		181	117	87	58	28	0	0	0	0	0	0
B. Non-Government borrowing		3,783	4,138	4,290	3,902	3,522	3,721	4,855	5,955	6,733	7,710	8,771
(i) Concessional		1,411	1,685	1,983	1,708	1,558	396	435	641	702	918	1,339
a) Public Sector		877	1,083	1,287	1,292	1,185	285	307	227	248	362	812
b) Financial Institutions		534	602	696	416	373	111	128	414	454	556	527
c) Private Sector		0	0	0	0	0	0	0	0	0	0	0

S.No.	Components of External Debt	End - March										(US\$ million)
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
	ii) Non-concessional	2,372	2,453	2,307	2,194	1,964	3,325	4,420	5,314	6,031	6,792	7,432
	a) Public Sector	988	1,076	1,110	995	813	1,702	2,525	2,959	3,072	3,072	2,819
	b) Financial Institutions	760	751	710	650	535	878	934	846	761	840	762
	c) Private Sector	624	626	487	549	616	745	961	1,509	2,198	2,880	3,851
III.	IMF^a	0	0	1,008	1,029	981	1,029	1,120	1,018	6,041	6,308	6,163
IV.	EXPORT CREDIT	5,368	4,995	4,697	5,022	5,420	7,165	10,328	14,481	16,841	18,613	19,908
	a) Buyers' credit	3,311	2,823	2,546	2,980	3,607	5,417	8,287	12,572	14,811	16,412	17,244
	b) Suppliers' credit	1,069	1,081	1,029	905	751	675	750	635	651	637	1,100
	c) Export credit component of bilateral credit	988	1,091	1,122	1,137	1,062	1,073	1,291	1,274	1,379	1,564	1,564
	d) Export credit for defence purchases	0	0	0	0	0	0	0	0	0	0	0
V.	COMMERCIAL BORROWINGS	23,320	22,472	22,007	26,405	26,452	41,443	62,334	62,461	70,726	88,565	104,396
	a) Commercial bank loans ^b	9,962	9,870	11,588	14,375	16,479	24,577	40,159	43,169	44,832	58,612	73,929
	b) Securitized borrowings ^c	12,851	12,093	9,568	11,197	9,217	15,603	20,668	17,918	25,075	29,221	29,963
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	507	509	851	833	756	1,263	1,507	1,374	819	732	504
	d) Self-Liquidating Loans	0	0	0	0	0	0	0	0	0	0	0
VI.	NRI & FC(B&O) DEPOSITS^d (Above one year maturity)	17,154	23,160	31,216	32,743	36,282	41,240	43,672	41,554	47,890	51,682	58,608
	a) NRI deposits	17,154	23,160	31,216	32,743	36,282	41,240	43,672	41,554	47,890	51,682	58,608
	b) FC (B&O) Deposits ^e	0	0	0	0	0	0	0	0	0	0	0
VII.	RUPEE DEBT^f	3,034	2,822	2,720	2,302	2,059	1,951	2,017	1,523	1,658	1,601	1,354
	a) Defence	2,704	2,515	2,426	2,031	1,819	1,728	1,794	1,361	1,487	1,437	1,216
	b) Civilian	330	307	294	271	240	223	223	162	171	164	138
VIII.	TOTAL LONG TERM DEBT (I TO VII)	96,098	100,245	108,222	116,279	119,575	144,230	178,669	181,185	208,606	240,941	267,640

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S.No.	Components of External Debt	End - March										(US\$ million)
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
IX. SHORT-TERM DEBT		2,745	4,669	4,431	17,723	19,539	28,130	45,738	43,313	52,329	64,990	78,179
a)	NRI deposits (up to one year maturity) ^d	968	1,962	304	0	0	0	0	0	0	0	0
b)	FC(B&O) Deposits (up to one-year maturity) ^e	0	0	0	0	0	0	0	0	0	0	0
c)	Trade-Related Credits	1,777	2,707	4,127	16,271	19,399	25,979	41,901	39,915	47,473	58,463	65,130
	1) Above 6 Months	1,777	2,707	4,127	7,529	8,696	11,971	22,884	23,346	28,003	35,347	39,182
	2) Upto 6 Months	0	0	0	8,742	10,703	14,008	19,017	16,569	19,470	23,116	25,948
d)	FII Investment in Govt. Treasury Bills and other instruments	0	0	0	1,452	140	397	651	2,065	3,357	5,424	9,395
e)	Investment in Treasury Bills by foreign central banks and international institutions etc.	0	0	0	0	0	164	155	105	103	50	64
f)	External Debt Liabilities of:	0	0	0	0	0	1,590	3,031	1,228	1,396	1,053	3,590
	1) Central Bank	0	0	0	0	0	501	1,115	764	695	155	170
	2) Commercial banks	0	0	0	0	0	1,089	1,916	464	701	898	3420

X. GRAND TOTAL (VIII+IX)	98,843	104,914	112,653	134,002	139,114	172,360	224,407	224,498	260,935	305,931	345,819
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Memo Items :

Concessional Debt ^h	35,517	38,614	40,277	41,107	39,559	39,567	44,164	41,899	43,931	47,498	47,901
Concessional Debt to total external debt (per cent)	35.9	36.8	35.8	30.7	28.4	23.0	19.7	18.7	16.8	15.5	13.9
Short-term debt	2,745	4,669	4,431	17,723	19,539	28,130	45,738	43,313	52,329	64,990	78,179
Short-term debt to total external debt (per cent)	2.8	4.5	3.9	13.2	14.0	16.3	20.4	19.3	20.1	21.2	22.6

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

PR: Partially Revised; QE: Quick Estimates.

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), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d Figures include accrued interest.

e The Scheme was discontinued in July, 1993.

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

g Special Short-term credits under Banker's Acceptance Facility (BAF).

h 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 ending 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 ending 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.

India's External Debt Outstanding (Quarterly)

(` Crore)

		End period								
S.No.	Components of External Debt	Mar. 2010	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 PR	June 2011 PR	Sept. 2011 PR	Dec. 2011 PR	March 2012 QE
1	2	3	4	5	6	7	8	9	10	11
I.	MULTILATERAL	193,436	208,149	209,752	212,946	216,672	222,524	240,398	265,720	257,093
	A. Government Borrowing	170,722	184,352	184,922	187,527	190,326	193,914	208,982	230,949	222,578
	(i) Concessional	116,046	117,548	118,397	117,650	120,653	122,514	130,877	143,621	138,691
	a) IDA	114,552	116,025	116,854	116,126	119,068	120,882	129,095	141,707	136,816
	b) Others	1,494	1,523	1,543	1,524	1,585	1,632	1,782	1,914	1,875
	ii) Non-concessional	54,676	66,804	66,525	69,877	69,673	71,400	78,105	87,328	83,888
	a) IBRD	28,874	39,389	38,834	39,651	39,218	39,803	42,815	47,668	45,328
	b) Others	25,802	27,415	27,691	30,226	30,455	31,597	35,290	39,660	38,560
	B. Non-Government Borrowing	22,714	23,797	24,830	25,419	26,346	28,610	31,416	34,771	34,514
	(i) Concessional	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	22,714	23,797	24,830	25,419	26,346	28,610	31,416	34,771	34,514
	a) Public Sector	14,919	15,604	15,457	15,506	15,802	16,076	17,900	19,735	19,407
	i) IBRD	8,544	8,861	9,003	8,939	9,193	9,293	10,255	11,130	11,092
	ii) Others	6,375	6,743	6,454	6,567	6,609	6,783	7,645	8,605	8,315
	b) Financial Institutions	5,385	5,501	6,700	7,024	7,511	8,514	9,348	10,189	10,290
	i) IBRD	1,343	1,348	1,813	1,786	1,899	2,067	2,213	2,483	2,707
	ii) Others	4,042	4,153	4,887	5,238	5,612	6,447	7,135	7,706	7,583
	c) Private Sector	2,410	2,692	2,673	2,889	3,033	4,020	4,168	4,847	4,817
	i) IBRD	0	0	0	0	0	0	0	0	0
	ii) Others	2,410	2,692	2,673	2,889	3,033	4,020	4,168	4,847	4,817
II.	BILATERAL	101,976	106,937	111,281	113,437	114,840	117,780	132,498	144,029	136,446
	A. Government borrowing	71,584	74,238	77,428	79,170	80,406	81,610	92,182	98,818	91,641
	(i) Concessional	71,584	74,238	77,428	79,170	80,406	81,610	92,182	98,818	91,641
	ii) Non-concessional	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	30,392	32,699	33,853	34,267	34,434	36,170	40,316	45,211	44,805
	(i) Concessional	3,169	3,561	3,886	3,899	4,101	4,188	4,573	6,535	6,821
	a) Public Sector	1,121	1,295	1,472	1,467	1,621	1,687	1,802	3,620	4,137
	b) Financial Institutions	2,048	2,266	2,414	2,432	2,480	2,501	2,771	2,915	2,684
	c) Private Sector	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	27,223	29,138	29,967	30,368	30,333	31,982	35,743	38,676	37,984
	a) Public Sector	13,845	14,339	14,098	14,140	13,723	13,794	14,881	15,840	14,396
	b) Financial Institutions	3,436	3,428	3,690	3,691	3,754	3,790	4,008	4,241	3,887
	c) Private Sector	9,942	11,371	12,179	12,537	12,856	14,398	16,854	18,595	19,701

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		End period								
S.No.	Components of External Debt	Mar. 2010	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 PR	June 2011 PR	Sept. 2011 PR	Dec. 2011 PR	March 2012 QE
1	2	3	4	5	6	7	8	9	10	11
III.	IMF ^a	27,264	27,417	27,810	27,453	28,163	28,473	30,398	32,536	31,528
IV.	EXPORT CREDIT	76,011	80,994	82,139	84,758	83,109	83,651	95,549	105,398	101,815
	a) Buyers' credit	66,849	71,597	72,532	74,959	73,272	73,737	84,350	93,427	88,218
	b) Suppliers' credit	2,937	2,942	2,874	2,915	2,845	2,817	3,184	3,379	5,628
	c) Export credit component of bilateral credit	6,225	6,455	6,733	6,884	6,992	7,097	8,016	8,593	7,969
	d) Export credit for defence purchases	0	0	0	0	0	0	0	0	0
V.	COMMERCIAL BORROWINGS	319,221	341,963	361,795	378,021	395,400	415,369	471,133	525,571	534,096
	a) Commercial bank loans ^b	202,350	219,812	229,016	244,800	261,677	284,240	335,222	379,970	378,223
	b) Securitized borrowings ^c	113,177	117,488	129,283	129,870	130,457	128,074	133,188	142,834	153,291
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	3,694	3,663	3,496	3,351	3,266	3,055	2,723	2,767	2,582
	d) Self-Liquidating Loans	0	0	0	0	0	0	0	0	0
VI.	NRI DEPOSITS(Above one year maturity) ^d	217,062	223,939	227,314	227,037	230,812	235,845	255,844	279,569	299,840
	a) NR(E) RA	118,984	121,340	121,062	119,010	117,802	116,769	123,970	135,425	160,684
	b) FCNR (B)	64,625	66,887	68,374	67,657	69,658	71,970	77,404	81,884	62,580
	c) NRO Deposits	33,453	35,712	37,878	40,370	43,352	47,106	54,470	62,260	76,576
VII.	RUPEE DEBT ^e	7,480	7,380	7,373	7,374	7,147	7,016	6,957	6,959	6,922
	a) Defence	6,709	6,635	6,630	6,631	6,416	6,311	6,254	6,256	6,220
	b) Civilian	771	745	743	743	731	705	703	703	702
VIII.	TOTAL LONG TERM DEBT (I TO VII)	942,450	995,779	1,027,464	1,051,026	1,076,143	1,110,659	1,232,777	1,359,782	1,367,740
IX.	SHORT-TERM DEBT	236,188	262,949	271,907	273,942	290,149	306,248	349,887	404,708	399,962
	a) Trade - Related Credits	214,267	241,297	244,435	249,808	261,006	275,200	315,020	346,039	333,202
	1) 6 Months and above/up to 1 year	126,391	145,258	146,581	150,844	157,806	165,182	188,459	211,843	200,454
	2) Up to 6 months	87,876	96,039	97,854	98,964	103,200	110,018	126,561	134,196	132,748
	b) FII Investment in Govt. Treasury Bills and other instruments	15,153	15,086	19,725	17,854	24,214	26,391	30,210	47,324	48,066
	c) Investment in Treasury Bills by foreign central banks and international institutions etc.	467	393	385	200	225	214	322	310	326
	d) External Debt Liabilities of:	6,301	6,173	7,362	6,080	4,704	4,443	4,335	11,035	18,368
	1) Central Bank	3,139	2,977	2,808	2,980	693	597	604	626	871
	2) Commercial banks	3,162	3,196	4,554	3,100	4,011	3,846	3,731	10,409	17,497
X.	GRAND TOTAL (VIII+IX)	1,178,638	1,258,728	1,299,371	1,324,968	1,366,292	1,416,907	1,582,664	1,764,490	1,767,702

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

PR: Partially Revised **QE:** Quick Estimates

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), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. 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."

India's External Debt Outstanding (Quarterly)

(US\$ million)

		End period								
S.No.	Components of External Debt	Mar. 2010	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 PR	June 2011 PR	Sept. 2011 PR	Dec. 2011 PR	March 2012 QE
1	2	3	4	5	6	7	8	9	10	11
I.	MULTILATERAL	42,857	44,693	46,678	47,511	48,474	49,374	49,122	49,909	50,453
	A. Government Borrowing	37,825	39,569	41,162	41,854	42,578	43,015	42,702	43,380	43,686
	(i) Concessional	25,711	25,231	26,354	26,258	26,991	27,177	26,743	26,977	27,221
	a) IDA	25,380	24,904	26,011	25,918	26,637	26,815	26,378	26,617	26,853
	b) Others	331	327	343	340	354	362	365	360	368
	ii) Non-concessional	12,114	14,338	14,808	15,596	15,587	15,838	15,959	16,402	16,465
	a) IBRD	6,397	8,454	8,644	8,850	8,774	8,829	8,748	8,953	8,896
	b) Others	5,717	5,884	6,164	6,746	6,813	7,009	7,211	7,449	7,568
	B. Non-Government Borrowing	5,032	5,124	5,516	5,657	5,896	6,359	6,420	6,530	6,767
	(i) Concessional	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	5,032	5,124	5,516	5,657	5,896	6,359	6,420	6,530	6,767
	a) Public Sector	3,305	3,359	3,435	3,452	3,536	3,568	3,658	3,706	3,808
	i) IBRD	1,893	1,902	2,004	1,995	2,057	2,061	2,096	2,090	2,177
	ii) Others	1,412	1,457	1,431	1,457	1,479	1,507	1,562	1,616	1,631
	b) Financial Institutions	1,193	1,187	1,486	1,560	1,681	1,892	1,910	1,913	2,018
	i) IBRD	298	289	403	398	425	459	452	466	531
	ii) Others	895	898	1,083	1,162	1,256	1,433	1,458	1,447	1,487
	c) Private Sector	534	578	595	645	679	899	852	910	941
	i) IBRD	0	0	0	0	0	0	0	0	0
	ii) Others	534	578	595	645	679	899	852	910	941
II.	BILATERAL	22,593	22,968	24,760	25,303	25,698	26,168	27,077	27,052	26,758
	A. Government borrowing	15,860	15,934	17,235	17,667	17,988	18,104	18,836	18,561	17,987
	(i) Concessional	15,860	15,934	17,235	17,667	17,988	18,104	18,836	18,561	17,987
	ii) Non-concessional	0	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	6,733	7,034	7,525	7,636	7,710	8,064	8,241	8,491	8,771
	(i) Concessional	702	764	865	873	917	930	934	1,227	1,339
	a) Public Sector	248	278	327	327	362	374	368	680	812
	b) Financial Institutions	454	486	538	546	555	555	566	547	527
	c) Private Sector	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	6,031	6,270	6,660	6,763	6,792	7,135	7,307	7,264	7,432
	a) Public Sector	3,072	3,089	3,131	3,145	3,072	3,073	3,042	2,975	2,819
	b) Financial Institutions	761	740	818	820	840	842	819	797	762
	c) Private Sector	2,198	2,441	2,711	2,798	2,880	3,220	3,446	3,492	3,851
III.	IMF^a	6,041	5,885	6,190	6,127	6,308	6,367	6,213	6,108	6,163

Contd..

(US\$ million)

		End period								
S.No.	Components of External Debt									
		Mar. 2010	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 PR	June 2011 PR	Sept. 2011 PR	Dec. 2011 PR	March 2012 QE
1	2	3	4	5	6	7	8	9	10	11
IV.	EXPORT CREDIT	16,841	17,385	18,284	18,916	18,613	18,691	19,533	19,791	19,908
a)	Buyers' credit	14,811	15,367	16,145	16,730	16,412	16,487	17,245	17,543	17,244
b)	Suppliers' credit	651	632	640	650	637	630	651	634	1,100
c)	Export credit component of bilateral credit	1,379	1,386	1,499	1,536	1,564	1,574	1,638	1,614	1,564
d)	Export credit for defence purchases	0	0	0	0	0	0	0	0	0
V.	COMMERCIAL BORROWINGS	70,726	73,184	80,533	84,370	88,565	92,872	96,317	98,690	104,396
a)	Commercial bank loans ^b	44,832	47,180	50,977	54,637	58,612	63,552	68,531	71,350	73,929
b)	Securitized borrowings ^c	25,075	25,218	28,778	28,985	29,221	28,636	27,228	26,820	29,963
c)	Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	819	786	778	748	732	683	557	520	504
d)	Self-Liquidating Loans	0	0	0	0	0	0	0	0	0
VI.	NRI DEPOSITS(Above one year maturity) ^d	47,890	48,108	49,907	50,672	51,682	52,898	52,304	52,497	58,608
a)	NR(E) RA	26,251	26,067	26,579	26,562	26,378	26,190	25,344	25,430	31,408
b)	FCNR (B)	14,258	14,369	15,012	15,100	15,597	16,142	15,824	15,376	14,968
c)	NRO Deposits	7,381	7,672	8,316	9,010	9,707	10,565	11,136	11,691	12,232
VII.	RUPEE DEBT ^e	1,658	1,584	1,641	1,646	1,601	1,568	1,422	1,307	1,354
a)	Defence	1,487	1,424	1,476	1,480	1,437	1,411	1,278	1,175	1,216
b)	Civilian	171	160	165	166	164	157	144	132	138
VIII.	TOTAL LONG TERM DEBT (I TO VII)	208,606	213,807	227,993	234,545	240,941	247,937	251,988	255,355	267,640
IX.	SHORT-TERM DEBT	52,329	56,439	60,526	61,142	64,990	68,474	71,530	75,995	78,179
a)	Trade - Related Credits	47,473	51,792	54,410	55,755	58,463	61,532	64,402	64,978	65,130
1)	6 Months and above/up to 1 year	28,003	31,178	32,628	33,667	35,347	36,933	38,528	39,779	39,182
2)	Up to 6 months	19,470	20,614	21,782	22,088	23,116	24,599	25,874	25,199	25,948
b)	FII Investment in Govt. Treasury Bills and other instruments	3,357	3,238	4,391	3,985	5,424	5,901	6,176	8,886	9,395
c)	Investment in Treasury Bills by foreign central banks and international institutions etc.	103	84	86	45	50	48	66	58	64
d)	External Debt Liabilities of:	1,396	1,325	1,639	1,357	1,053	993	886	2,073	3,590
1)	Central Bank	695	639	625	665	155	133	123	118	170
2)	Commercial banks	701	686	1,014	692	898	860	763	1,955	3,420
X.	GRAND TOTAL (VIII+IX)	260,935	270,246	288,519	295,687	305,931	316,411	323,518	331,349	345,819
Memo Items :										
	Concessional Debt ^f	43,931	43,513	46,095	46,444	47,498	47,779	47,935	48,073	47,901
	Concessional Debt to total external debt (per cent)	16.8	16.1	16.0	15.7	15.5	15.1	14.8	14.4	13.9
	Short-term debt	52,329	56,439	60,526	61,142	64,990	68,474	71,530	75,995	78,179
	Short-term debt to total external debt (per cent)	20.1	20.9	21.0	20.7	21.2	21.6	22.1	22.9	22.6

Contd..

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

PR: Partially Revised QE: Quick Estimates

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), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. 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 investments in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007."

External Debt by Borrower Category

(US\$ million)

Sl.	Borrower Category	End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	Government Debt (A+B):	43,575	43,612	45,681	47,697	46,259	49,360	58,070	55,870	67,067	78,072	81,895
A	of which long-term:	43,575	43,612	45,681	46,538	46,119	49,034	57,455	54,931	65,549	75,230	75,788
1	Government Account	40,965	41,216	41,142	43,686	43,510	46,155	52,541	51,816	55,235	62,295	63,374
2	Other Government Debt	2,610	2,396	4,539	2,852	2,609	2,879	4,914	3,115	10,314	12,935	12,414
B.	of which short-term:	0	0	0	1,159	140	326	615	939	1,518	2,842	6,107
II	Non-Govt. Debt (C+D):	55,268	61,302	66,972	86,305	92,855	123,000	166,337	168,628	193,868	227,859	263,924
C	of which long-term:	52,523	56,633	62,541	69,741	73,456	95,196	121,214	126,254	143,057	165,711	191,852
1	Financial Sector ^a	32,367	37,032	40,575	43,455	42,334	48,414	51,138	48,617	55,933	62,818	70,241
2	Public Sector ^b	8,225	7,518	7,685	6,496	6,671	7,978	11,040	12,599	13,749	16,035	19,085
3	Private Sector ^c	11,931	12,083	14,281	19,790	24,451	38,804	59,036	65,038	73,375	86,858	102,526
D	of which short-term:	2,745	4,669	4,431	16,564	19,399	27,804	45,123	42,374	50,811	62,148	72,072
	(Share of Short-term Debt in total Debt)	2.8	4.5	3.9	13.2	14.0	16.3	20.4	19.3	20.0	21.2	22.6
III.	Total External Debt (I+II)	98,843	104,914	112,653	134,002	139,114	172,360	224,409	224,498	260,935	305,931	345,819
	Memo Items :											
IV	Share of Government debt in total debt	44.1	41.6	40.5	35.6	33.3	28.6	25.9	24.9	25.7	25.5	23.7
V	Share of Non-Government debt in total debt	55.9	58.4	59.5	64.4	66.7	71.4	74.1	75.1	74.3	74.5	76.3

PR: Partially Revised, QE: Quick Estimate,

Note: The definition of Government debt here includes debt on Government Account maintained by the Controller of Aid Accounts and Audit, Ministry of Finance. Other Government debt include IMF, Defence Debt and FII investment in Government debt securities. All others, including short-term debt are shown as part of non-Government debt. Debt of Defence public sector enterprises is included as part of non-Government debt from 1996 onwards.

^a: Financial sector debt represent borrowings of external debt by commercial banks and financial institutions, and also include long-term NRI Deposits.

^b: Public sector debt represents borrowings of non- financial public sector enterprises.

^c: Private sector debt represents borrowings of non- financial private sector enterprises.

Instrument-wise Classification of Long-term External Debt Outstanding at end-March 2012

(US\$ million)

		INSTRUMENTS					
Borrower		Creditor	Bonds & Notes	Loans	Trade Credits	Deposits	Total
1	2	3	4	5	6	7	8
I	Government:		5,261	62,800	1,564	6,163	75,788
	1	Multilateral	0	43,685	0	0	43,685
	2	Bilateral	0	17,986	0	0	17,986
	3	IMF (SDR Allocation)	0	0	0	6,163	6,163
	4	Export Credit	0	0	1,564	0	1,564
	5	Commercial ^a	5,261	0	0	0	5,261
	6	Rupee Debt	0	1,129	0	0	1,129
II	Financial Sector ^b :		14,161	10,618	0	58,608	83,387
1	Multilateral		0	2,028	0	0	2,028
	2	Bilateral	0	1,522	0	0	1,522
	3	Export Credit	0	251	0	0	251
	4	Commercial	14,161	6,817	0	0	20,978
	5	NRI Deposits	0	0	0	58,608	58,608
III	Non-Financial Public Sector:		818	18,267	0	0	19,085
	1	Multilateral	0	3,787	0	0	3,787
	2	Bilateral	0	3,537	0	0	3,537
	3	Export Credit	0	3,969	0	0	3,969
	4	Commercial	818	6,749	0	0	7,567
	5	Rupee Dept	0	225	0	0	225
IV	Non-Financial Private Sector:		9,723	78,557	1,100	0	89,380
	1	Multilateral	0	953	0	0	953
	2	Bilateral	0	3,712	0	0	3,712
	3	Export Credit	0	13,023	1,100	0	14,123
	4	Commercial	9,723	60,869	0	0	70,592
V.	Total Long Term External Debt: (I to IV)		29,963	170,242	2,664	64,771	267,640
	1	Multilateral	0	50,453	0	0	50,453
	2	Bilateral	0	26,758	0	0	26,758
	3	IMF	0	0	0	6,163	6,163
	4	Export Credit	0	17,244	2,664	0	19,908
	5	Commercial	29,963	74,433	0	0	104,396
	6	NRI Deposits	0	0	0	58,608	58,608
	7	Rupee Debt	0	1,354	0	0	1,354

Memo Items:

Borrower Category		per cent to total long-term debt				
		Bonds & Notes	Loans	Trade Credits	Deposits	Total
I	Government:	2.0	23.5	0.6	2.3	28.3
II	Financial Sector:	5.3	4.0	0.0	21.9	31.2
III	Non-Financial Public Sector	0.3	6.8	0.0	0.0	7.1
IV	Non-Financial Private Sector	3.6	29.4	0.4	0.0	33.4
V	Total Long-Term Debt:	11.2	63.6	1.0	24.2	100.00

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

^a: Includes investment by 100% FII in Central Government domestic debt securities and treasury bills.

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

Currency Composition of India's External Debt (per cent)

Sl. No.	Currency	at end-March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	US Dollar	54.3	46.6	40.0	47.7	48.8	51.1	55.3	54.1	53.2	53.6	55.0
2	Indian Rupee	11.9	17.3	22.5	19.4	18.8	18.5	16.2	15.4	18.7	19.5	21.4
3	Japanese Yen	10.2	10.7	11.6	10.4	10.9	11.4	12.0	14.3	11.5	11.3	9.1
4	SDR	14.1	15.2	16.3	14.9	14.3	12.4	10.6	9.8	10.7	9.7	8.7
5	Euro	5.7	6.2	5.7	4.6	4.4	3.9	3.5	4.1	3.6	3.7	3.7
6	Pound Sterling	2.9	3.0	3.4	2.6	2.6	2.4	2.2	1.9	1.8	1.7	0.9
7	Others	0.9	1.0	0.5	0.4	0.2	0.3	0.2	0.4	0.5	0.5	1.2
Total (1 to 7)		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially Revised; QE: Quick Estimates.

Short-term debt by Residual maturity

(US\$ million)

Year	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 (percent)
1	2	3	4	5	6	7
1990	7,501	5,028	12,529	16.5	372.0	316.2
1991	8,544	4,705	13,249	15.8	592.5	227.1
1992	7,070	4,181	11,251	13.2	199.8	122.0
1993	6,340	4,810	11,150	12.4	173.3	113.4
1994	3,627	6,689	10,316	11.1	68.5	53.6
1995	4,269	8,727	12,996	13.1	62.5	51.6
1996	5,034	8,229	13,263	14.2	77.8	61.2
1997	6,726	6,901	13,627	14.6	60.9	51.6
1998	5,046	6,723	11,769	12.6	45.3	40.1
1999	4,274	7,059	11,333	11.7	38.4	34.9
2000	3,936	8,359	12,295	12.5	35.1	32.3
2001	3,628	6,776	10,404	10.3	26.3	24.6
2002	2,745	11,530	14,275	14.4	28.0	26.4
2003	4,669	14,614	19,283	18.4	26.8	25.3
2004	4,431	6,117	10,548	9.4	9.8	9.3
2005 ^a	17,723	14,341	32,064	23.9	23.7	22.7
2006	19,539	5,936	25,475	18.3	17.6	16.8
2007 ^b	28,130	8,340	36,470	21.2	19.0	18.3
2008	45,738	9,054	54,792	24.4	18.3	17.7
2009	43,313	14,180	57,493	25.6	23.8	22.8
2010	52,329	13,002	65,331	25.0	25.7	23.4
2011	64,990	22,986	87,976	28.8	32.1	28.9
2012 ^c	78,179	21,440	99,619	28.8	38.3	33.8

Note: Short-term debt (Original maturity) at end-March (Column No.1-1990) and repayments made in the next financial year (Column No.2 eg. 1990-91) work out to be as residual maturity (Column No.3 eg.1990-91) for the next financial year.

^a: Since end-March 2005, short-term debt classification and coverage was improved eg. covering trade credits (i) Above 180 days; (ii) upto 180 days;

^b: Since end-March 2007, short term debt classification and coverage was further improved e.g. covering (i) investment in Treasury bills (up to 364 days) by foreign central banks and international institutions. (ii) external debt liabilities of Central Bank (Reserve Bank of India) and other commercial Banks.

^c: For 2011-12, short-term debt at end-March 2012 and projected debt service payments (Long-term) during April 2012-March 2013 amounts to short-term by remaining maturity for 2012-13. Projected debt service payments (Long-term) do not include FII investment in government/corporate debt securities and NRI Deposits.

India's External Debt Service Payments-Source-wise

(US\$ million)

Sl.			April - March										
No.	Source	Components	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11PR	2011-12 QE
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	External Assistance ^a		3,225	7,165	6,983	2,855	2,652	2,942	3,241	3,384	3,461	3,667	3,923
	Repayments		2,150	6,037	6,193	2,129	1,945	1,960	2,099	2,375	2,585	2,839	3,125
	Interest		1,075	1,128	790	726	707	982	1142	1009	876	828	798
2	External Commercial Borrowings		5,563	6,186	10,164	4,530	14,839	6,331	9,771	10,543	14,742	13,602	25,198
	Repayments		4,107	5,019	8,045	3,571	11,824	3,814	6,119	6,578	11,498	10,094	19,782
	Interest		1,456	1,167	2,119	959	3,015	2,517	3,652	3,965	3,244	3,508	5,416
3	I. M. F.		0	0	0	0	0	0	0	0	0	0	0
	Repayments		0	0	0	0	0	0	0	0	0	0	0
	Interest		0	0	0	0	0	0	0	0	0	0	0
4	NRI Deposits		1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737	2,313
	Interest		1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737	2,313
5	Rupee Debt Service		519	474	376	417	572	162	122	101	97	69	79
	Repayments		519	474	376	417	572	162	122	101	97	69	79
	Total Debt Service		11,115	15,239	19,165	9,155	19,560	11,404	14,947	15,575	19,899	19,075	31,513
	Repayments		6,776	11,530	14,614	6,117	14,341	5,936	8,340	9,054	14,180	13,002	22,986
	Interest		4,339	3,709	4,551	3,038	5,219	5,468	6,607	6,521	5,719	6,073	8,527
Memo Items:													
	Current Receipts		80,982	95,248	119,239	154,123	194,170	242,811	314,284	356,175	345,144	448,067	528,372
	Debt Service Ratio (%)		13.7	16.0 ^b	16.1 ^c	5.9 ^d	10.1 ^e	4.7	4.8	4.4	5.8	4.3	6.0
	Interest to Current Receipts Ratio (%)		5.4	3.9	3.8	2.0	2.7	2.3	2.1	1.8	1.7	1.4	1.6

PR: Partially Revised, QE: Quick Estimates

^a: Inclusive of Non-Government account figures supplied by the office of Controller of Aid Accounts & Audit, DEA, Ministry of Finance.^b: Works out to 12.4 per cent, with the exclusion of pre-payment of US\$ 3.4 billion.^c: 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.^d: Works out to 5.7 per cent, with the exclusion of pre-payment of US\$ 381 million.^e: 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.

India's External Debt Service Payments by Creditor Categories

(US \$ million)

Sl. No.	Creditor Category	April - March										
		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11PR	2011-12QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Multilateral :	2,160	5,872	4,553	1,299	1,549	1,866	2,096	2,016	2,084	2,331	2,537
	Principal	1,405	5,093	4,093	919	1,060	1,149	1,255	1,367	1,560	1,876	2,026
	Interest	755	779	460	380	489	717	841	649	524	455	511
2	Bilateral :	1,530	1,634	2,923	1,960	1,491	1,400	1,615	1,863	1,974	2,068	2,292
	Principal	1,119	1,177	2,525	1,524	1,193	986	1,098	1,276	1,353	1,540	1,624
	Interest	411	457	398	436	298	414	517	587	621	528	668
3	IMF :	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0
	Interest	0	0	0	0	0	0	0	0	0	0	0
4	Export Credit :	1,185	1,426	1,090	718	1,343	1,033	1,971	1,732	2,048	2,139	3,182
	Principal	885	1,196	877	618	1,114	645	1,345	1,150	1,394	1,687	2,671
	Interest	300	230	213	100	229	388	626	582	654	452	511
5	Commercial Borrowings:	3,913	4,419	8,581	3,408	13,108	4,974	7,330	8,316	12,097	10,731	21,110
	Principal	2,848	3,590	6,743	2,639	10,402	2,994	4,520	5,160	9,776	7,830	16,586
	Interest	1,065	829	1,838	769	2,706	1,980	2,810	3,156	2,321	2,901	4,524
6	NRI Deposits :	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737	2,313
	Interest ^a	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737	2,313
7	Rupee Debt :	519	474	376	417	572	162	121	101	97	69	79
	Principal	519	474	376	417	572	162	121	101	97	69	79
8	Total Debt Service:	11,115	15,239	19,165	9,155	19,560	11,404	14,946	15,575	19,899	19,075	31,513
	Principal	6,776	11,530	14,614	6,117	14,341	5,936	8,339	9,054	14,180	13,002	22,986
	Interest	4,339	3,709	4,551	3,038	5,219	5,468	6,607	6,521	5,719	6,073	8,527
Memo items:												
I	Current Receipts	80,982	95,248	119,239	154,123	194,170	242,811	314,284	356,175	345,144	448,067	528,372
II	Debt Service Ratio (%)	13.7	16.0 ^b	16.1 ^c	5.9 ^d	10.1 ^e	4.7	4.8	4.4	5.8	4.3	6.0
III	Interest to Current Receipts Ratio (%)	5.4	3.9	3.8	2.0	2.7	2.3	2.1	1.8	1.7	1.4	1.6

PR: Partially Revised, QE: Quick Estimates.

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

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.

^a: Interest payments on NRI Deposits include both long term and short term external debt component of NRI Deposits.^b: Works out to 12.4 per cent, with the exclusion of pre-payment of US\$ 3.4 billion.^c: 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.^d: Works out to 5.7 per cent, with the exclusion of pre-payment of US\$ 381 million.^e: 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.

International Comparison of Top Twenty Debtor Countries, 2010

Sl. No.	Country	Total external debt (US\$ million)	Present value of debt (US\$ million)	Ratio of present value of debt to exports of goods and service(%)	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 to total debt
1	2	3	4	5	6	7	8	9
1	China	548,551	522,861	31	9.3	10	347,524	531.2
2	Russian Federation	384,740	347,210	72	26.9	25	38,756	124.6
3	Brazil	346,978	326,721	146	16.9	19	65,496	83.2
4	Turkey	293,872	270,204	165	40.4	39	78,123	29.3
5	India	290,282	252,804	79	16.9	18	56,448	103.5
6	Mexico	200,081	178,631	60	19.5	18	39,013	60.3
7	Indonesia	179,064	159,754	102	26.1	28	31,255	53.7
8	Argentina	127,849	121,281	150	36.1	37	35,005	40.8
9	Romania	121,505	101,112	171	76.4	58	25,029	39.5
10	Kazakhstan	118,723	101,695	155	94.3	89	9,037	23.8
11	Ukraine	116,808	107,452	144	85.9	75	866	29.6
12	Chile	86,349	78,746	99	45.9	48	25,879	32.2
13	Malaysia	81,497	75,406	33	35.4	36	35,076	130.7
14	Phillipines	72,337	62,514	100	36.2	35	6,295	86.2
15	Thailand	71,263	66,153	31	23.4	24	38,471	241.4
16	Colombia	63,064	92,182	212	22.8	38	8,209	44.5
17	Pakistan	56,773	41,425	159	31.3	24	2,291	30.4
18	Venezuela	55,572	55,591	70	14.3	16	15,426	53.4
19	Bulgaria	48,077	44,915	159	104.8	95	15,373	35.8
20	South Africa	45,165	44,196	45	12.7	15	12,305	97.0

Source: World Bank's Global Development Finance, 2012.

Note: 1) The order of the countries are the ranking of total external debt stock appearing in column No.3

Gross External Debt Position for Selected Countries

(US\$ million)

S.No.	Countries	2012 Q1 (end-March 2012)			Ratio of Short-term Debt to total Debt (4/5)
		Long-term	Short-term term	Total	
1	2	3	4	5	6
1	Russian Federation	493,338	72,135	565,473	12.8
2	Brazil	380,187	34,175	414,362	8.2
3	India	267,640	78,179	345,819	22.6
4	Turkey	228,005	90,242	318,247	28.4
5	Mexico	249,191	59,268	308,459	19.2
6	Indonesia	191,058	37,399	228,457	16.4
7	Romania	113,311	20,057	133,368	15.0
8	Argentina	101,354	40,449	141,803	28.5
9	Kazakhstan	120,443	8,852	129,295	6.8
10	Ukraine	94,126	32,757	126,883	25.8
11	Thailand	63,020	56,183	119,203	47.1
12	South Africa	96,666	21,795	118,461	18.4
13	Chile	82,075	17,789	99,864	17.8
14	Colombia	66,813	10,071	76,884	13.1
15	Bulgaria	35,416	13,273	48,689	27.3

Source: Table 1 of the Quarterly External Debt Database. The Quarterly External Debt Statistics (QEDS)

Note: The above countries are selected on the basis of top 20 debtor countries as per 'Global Development Finance, 2012,' published by the world Bank.

Creditor-wise Sovereign External Debt

(₹ crore)

S.No.	Institution/Country Category	End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I External Debt on Govt.												
	Account under External Assistance (A+B)	199,779	196,043	184,153	191,147	194,076	201,199	210,086	263,976	249,288	278,455	322,890
	A. Multilateral (1 to 5)	137,933	129,706	120,074	127,782	133,799	141,734	144,630	181,997	170,720	190,326	222,578
	1 IDA	94,848	101,094	100,065	103,671	104,457	107,015	105,944	126,127	114,552	119,067	136,815
	2 IBRD	28,011	19,076	14,075	16,500	19,625	21,852	22,638	29,948	28,872	39,218	45,328
	3 ADB	13,745	8,099	4,509	6,169	8,322	11,434	14,594	24,278	25,803	30,455	38,560
	4 IFAD	1,068	1,173	1,172	1,211	1,189	1,222	1,247	1,437	1,300	1,398	1,662
	5 Others	261	264	253	231	206	211	207	207	193	188	213
	B. Bilateral (6 to 12)	61,846	66,337	64,079	63,365	60,277	59,465	65,456	81,979	78,568	88,129	100,312
	6 Japan	36,052	40,098	43,210	42,275	39,896	38,014	43,207	56,600	56,156	65,907	76,401
	7 Germany	9,673	11,023	11,244	11,217	10,190	10,660	11,393	12,485	11,090	11,899	13,765
	8 United States	5,665	4,881	4,042	3,458	3,071	2,567	2,049	2,216	1,715	1,489	1,516
	9 France	3,064	2,844	2,851	2,807	2,469	2,441	2,446	2,406	1,901	1,750	1,657
	10 Netherlands	1,944	2,087	0	-	-	-	-	-	-	-	-
	11 Russian Federation	1,813	1,970	2,561	3,576	4,627	5,761	6,336	8,246	7,684	7,062	6,953
	12 Others	3,635	3,434	171	32	24	22	25	26	22	22	20
	II. Total Other Govt. External Debt [C+D]	12,499	10,831	13,776	17,553	12,258	13,967	22,112	20,675	53,405	70,440	94,838
	C. Other Govt. External Debt (Long-term)	12499	10831	13,776	12,479	11,634	12,548	19,652	15,891	46,550	57,748	63,597
	D. Other Govt. External Debt (Short-term)	0	0	0	5,074	624	1,419	2,460	4784	6,855	12,692	31,241
	III. Total Government External Debt (I+II)	212,278	206,874	197,929	208,700	206,334	215,166	232,198	284,651	302,693	348,895	417,728
	IV. Total External Debt	482,328	498,804	495,459	586,305	620,522	751,402	897,290	1,142,125	1,178,638	1,366,292	1,767,701
Memo Items :												
	a) Total Government External Debt to GDP	9.0	8.2	7.0	6.4	5.6	5.0	4.7	5.1	4.7	4.5	4.7
	b) Total External Assistance (Government Account)to GDP	8.5	7.7	6.5	5.9	5.2	4.7	4.2	4.7	3.8	3.6	3.6

PR: Partially Revised; QE: Quick Estimates.

Creditor-wise Sovereign External Debt

(US\$ million)

S.No.	Institution/Country Category	End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I. External Debt on Govt.												
Account under External Assistance (A+B)												
A Multilateral (1 to 5)		28,289	27,271	26,826	29,204	29,997	32,515	36,171	35,724	37,825	42,579	43,686
1. IDA		19,440	21,257	22,356	23,693	23,418	24,548	26,496	24,758	25,380	26,637	26,853
2. IBRD		5,741	4,009	3,144	3,771	4,400	5,015	5,662	5,878	6,397	8,774	8,897
3. ADB		2,835	1,702	1,007	1,410	1,866	2,623	3,650	4,766	5,717	6,813	7,568
4. IFAD		219	247	262	277	267	280	312	282	288	313	326
5. Others		54	56	57	53	46	49	51	40	43	42	42
B Bilateral (6 to 12)		12,676	13,945	14,316	14,482	13,513	13,640	16,370	16,092	17,410	19,715	19,688
6. Japan		7,389	8,429	9,654	9,662	8,944	8,720	10,806	11,110	12,444	14,744	14,995
7. Germany		1,983	2,317	2,512	2,564	2,285	2,445	2,849	2,451	2,458	2,662	2,702
8. United States		1,161	1,026	903	790	688	589	512	435	380	333	298
9. France		628	598	637	642	554	560	612	472	421	392	325
10. Russian Federation		372	414	572	817	1,037	1,321	1,585	1,619	1,702	1,579	1,365
11. Netherlands		398	439	0	0	0	0	0	0	0	0	0
12. Others		745	722	38	7	5	5	6	5	5	5	3
II. Total Other Govt.												
External Debt [C+D]		2,609	2,396	4,539	4,011	2,749	3,205	5,529	4,058	11,832	15,777	18,521
C. Other Govt. External Debt (Long term)		2609	2396	4,539	2,852	2,609	2,879	4,914	3,119	10,314	12,935	12,414
D. Other Govt. External Debt (Short-term)		0	0	0	1,159	140	326	615	939	1,518	2,842	6,107
III. Total Sovereign External Debt (I+II)												
Debt (I+II)		43,574	43,612	45,681	47,697	46,259	49,360	58,070	55,874	67,067	78,071	81,895
Total External Debt		98,843	104,914	112,653	134,002	139,114	172,360	224,407	224,498	260,935	305,931	345,819
Memo Items :												
a) Multilateral debt to External Assistance (Ratio)		69.1	66.2	65.2	66.8	68.9	70.4	68.8	68.9	68.5	68.4	68.9
b) Bilateral debt to External Assistance (Ratio)		30.9	33.8	34.8	33.2	31.1	29.6	31.2	31.1	31.5	31.6	31.1
c) External Assistance to total external debt (Ratio)		41.4	38.9	36.5	32.6	31.3	26.8	23.4	23.1	21.2	20.4	18.3
d) Total Sovereign External Debt to total external debt (Ratio)		44.1	41.2	40.6	35.6	33.3	28.6	25.9	24.9	25.7	25.5	23.7

PR: Partially Revised; QE: Quick Estimates.

Currency Composition of Sovereign External Debt

SI. No.	Currency	(per cent)										
		End - March										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 PR	2012 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	US Dollar	36.5	28.8	23.4	24.4	27.2	27.9	26.6	29.6	26.5	26.7	25.9
2	SDR	31.9	36.7	40.2	41.8	43.0	43.3	40.7	39.5	41.7	38.1	36.8
3	Indian Rupee	6.3	6.0	8.2	6.7	4.3	4.9	8.0	5.7	8.9	12.4	15.3
4	Japanese Yen	17.0	19.3	21.1	20.2	19.3	17.7	18.6	19.9	18.6	18.9	18.3
5	Deutsche Mark	4.6	0	0	0	0	0	0	0	0	0	0
6	French Francs	1.4	0	0	0	0	0	0	0	0	0	0
7	Euro	0.0	7.9	7.0	6.7	6.1	6.1	6.0	5.2	4.3	3.9	3.7
8	Pound Sterling	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
9	Others	2.2	1.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total (1 to 9)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially revised; QE: Quick Estimates.

Sovereign External Debt Service Payments

(US\$ million)

Sl. No.		April - March										
	Debt Service Payments	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11PR	2011-12QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I. Debt Service Payments under Government												
	Account (A+B)	2,762	5,949	6,296	2,262	2,272	2,722	2,696	2,719	3,273	3,340	3,354
	A Multilateral (i + ii)	1,673	4,749	3,932	1,044	1,192	1,543	1,738	1,625	1,818	1,846	1,859
	i. Principal	1,097	4,134	3,562	737	790	959	1066	1110	1386	1529	1545
	ii. Interest ^a	576	615	370	307	402	584	672	515	432	317	314
	B Bilateral (iii +iv)	1,089	1,200	2,364	1,218	1,080	1,179	958	1,094	1,455	1,494	1,495
	iii. Principal	787	918	2067	884	776	868	713	793	1084	1105	1122
	iv. Interest	302	282	297	334	304	311	245	301	371	389	373
II. Other Government Debt												
	Service Payments (v + vi)	519	474	376	417	572	162	121	101	97	69	79
	v. Principal	519	474	376	417	572	162	121	101	97	69	79
	vi. Interest	0	0	0	0	0	0	0	0	0	0	0
III.Total Government												
	External Debt Service											
	Payments (I+II)	3,281	6,423	6,672	2,679	2,844	2,884	2,817	2,820	3,370	3,409	3,433
	vii. Total Principal (i+ iii + v)	2,403	5,526	6,005	2,038	2,138	1,989	1,900	2,004	2,567	2,703	2,746
	viii. Total Interest (ii +iv + vi)	878	897	667	641	706	895	917	816	803	706	687

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

Note: Debt service payments on account of FII investment in Government Treasury Bills and dated securities are not included.

PR: Partially Revised; QE: Quick Estimates

Central Government Guarantees on External Debt

(US\$ million)

S.No.	Components	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011PR	2012QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Govt. Debt	43,574	43,612	45,681	47,697	46,259	49,360	58,070	55,870	67,067	78,072	81,895
2	Non-Govt. Debt	55,269	61,302	66,972	86,305	92,855	123,000	166,337	168,628	193,868	227,859	263,924
3	<i>of which</i> with											
	Govt. Guarantee ^a (a+b+c)	7,022	6,458	6,528	6,240	6,096	6,107	6,563	6,807	7,786	8,551	9,218
	a. Financial Sector	1,761	1,790	1,856	1,600	1,465	1,446	1,422	1,800	2,276	2,746	2,805
	b. Public Sector	5,070	4,605	4,614	4,484	4,506	4,557	5,040	4,926	5,450	5,763	6,389
	c. Private Sector	191	63	58	156	125	104	101	81	60	42	24
4	Total External Debt (1+2)	98,843	104,914	112,653	134,002	139,114	172,360	224,407	224,498	260,935	305,931	345,819
Memo Items:												
I	Govt. Debt and Guaranteed Debt (1+3)	50,596	50,070	52,209	53,937	52,355	55,467	64,633	62,677	74,853	86,623	91,113
II	Per cent of Govt. Debt and Guaranteed Debt to Total External Debt (5/4)	51.2	47.7	46.3	40.3	37.6	32.2	28.8	27.9	28.7	28.3	26.3
III	Per cent of Govt. Guaranteed Debt to Non-Govt. Debt (3/2)	12.7	10.5	9.7	7.2	6.6	5.0	3.9	4.0	4.0	3.8	3.5

^a: Direct credit guarantees on non-government external debt provided by the Central Government.

PR: Partially Revised QE: Quick Estimates

Creditor-wise Projections of External Debt Service Payments under Government Account

(US\$ million)

S.No.	Component	2012-13			2013-14			2014-15			2015-16			2016-17		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
A	Multilateral (1 to 6)	1,940.70	355.32	2,296.02	2,086.20	360.76	2,446.96	2,248.83	367.83	2,616.66	2,412.44	374.27	2,786.71	2,674.93	379.54	3,054.47
1	ADB	435.80	54.69	490.49	458.06	55.43	513.49	499.59	55.90	555.49	520.83	56.31	577.14	561.42	56.57	617.99
2	IBRD	549.45	71.36	620.81	611.55	71.34	682.89	699.86	72.81	772.67	793.31	73.64	866.95	951.77	73.73	1,025.50
3	IDA	940.59	225.74	1,166.33	1,000.41	230.19	1,230.60	1,031.47	235.01	1,266.48	1,079.86	239.92	1,319.78	1,141.34	244.74	1,386.08
4	IFAD	11.52	2.96	14.48	12.67	3.15	15.82	13.40	3.34	16.74	13.93	3.51	17.44	15.89	3.62	19.51
5	EEC(SAC)	1.51	0.21	1.72	1.51	0.19	1.70	1.51	0.18	1.69	1.51	0.17	1.68	1.51	0.16	1.67
6	OPEC	1.83	0.36	2.19	2.00	0.46	2.46	3.00	0.59	3.59	3.00	0.72	3.72	3.00	0.72	3.72
B	Bilateral (7 to 12)	1,108.87	391.30	1,500.17	1,160.83	397.17	1,558.00	1,180.14	391.33	1,571.47	1,260.77	377.72	1,638.49	1,259.51	357.77	1,617.28
7	Germany	168.70	36.26	204.96	188.89	34.48	223.37	204.64	31.74	236.38	204.64	28.79	233.43	162.17	24.04	186.21
8	France	41.82	5.85	47.67	36.04	4.88	40.92	30.84	4.11	34.95	26.20	3.50	29.70	23.10	3.01	26.11
9	Japan	731.81	282.01	1,013.82	768.75	283.31	1,052.06	776.89	281.61	1,058.50	829.55	278.62	1,108.17	876.04	271.56	1,147.60
10	Russian Federation	137.86	58.00	195.86	137.86	66.24	204.10	137.86	66.54	204.40	173.35	60.53	233.88	173.35	53.81	227.16
11	Switzerland	0.81	0.23	1.04	0.81	0.17	0.98	0.80	0.12	0.92	0.77	0.07	0.84	0.31	0.02	0.33
12	USA	27.87	8.95	36.82	28.48	8.09	36.57	29.11	7.21	36.32	26.26	6.21	32.47	24.54	5.33	29.87
13	Grand Total (A+B)	3,049.57	746.62	3,796.19	3,247.03	757.93	4,004.96	3,428.97	759.16	4,188.13	3,673.21	751.99	4,425.20	3,934.44	737.31	4,671.75

Note 1: Loan currencies converted to INR adopting the exchange rate as on 30th March 2012 and subject to change. INR converted to US\$ adopting 50.95 (RBI reference rate for Government Foreign Transaction).

Note 2: The Projections are based on debt outstanding as at end March 2012 on Government Account against Multilateral and Bilateral debt under external assistance. The projections include debt service arising out of Committed Undisbursed Balance (CUB). It excludes debt servicing on account of Defence debt and FII investment in Government securities.

Creditor-wise Projections of External Debt Service Payments under Government Account

(US\$ million)

S.No.	Component	2017-18			2018-19			2019-20			2020-21			2021-2022		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	2	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
A	Multilateral (1 to 6)	2,781.73	372.83	3,154.56	2,866.46	359.02	3,225.48	2,928.77	340.88	3,269.65	2,946.35	319.36	3,265.71	2,834.27	296.46	3,130.73
1.	ADB	565.19	54.34	619.53	570.00	51.76	621.76	578.43	48.56	626.99	592.55	45.11	637.66	498.52	40.86	539.38
2.	IBRD	963.13	70.43	1,033.56	979.60	65.05	1,044.65	1,006.05	58.75	1,064.80	932.96	51.63	984.59	821.49	45.09	866.58
3.	IDA	1,231.95	243.58	1,475.53	1,294.92	237.86	1,532.78	1,320.48	229.46	1,549.94	1,396.38	218.76	1,615.14	1,489.80	206.91	1,696.71
4.	IFAD	16.95	3.58	20.53	17.43	3.51	20.94	19.30	3.36	22.66	19.95	3.20	23.15	19.95	3.03	22.98
5.	EEC(SAC)	1.51	0.15	1.66	1.51	0.14	1.65	1.51	0.13	1.64	1.51	0.11	1.62	1.51	0.10	1.61
6.	OPEC	3.00	0.75	3.75	3.00	0.70	3.70	3.00	0.62	3.62	3.00	0.55	3.55	3.00	0.47	3.47
B	Bilateral (7 to 12)	1,324.12	334.90	1,659.02	1,392.05	308.04	1,700.09	1,437.33	279.79	1,717.12	1,396.97	251.80	1,648.77	1,350.44	225.72	1,576.16
7.	Germany	168.92	22.50	191.42	172.28	20.43	192.71	173.09	17.99	191.08	145.00	15.03	160.03	140.07	13.32	153.39
8.	France	21.48	2.59	24.07	20.65	2.21	22.86	19.92	1.85	21.77	18.67	1.51	20.18	18.42	1.18	19.60
9.	Japan	935.88	258.18	1,194.06	1,001.45	241.26	1,242.71	1,108.39	223.82	1,332.21	1,107.06	204.37	1,311.43	1,063.99	185.09	1,249.08
10.	Russian Federation	173.35	47.09	220.44	173.35	40.38	213.73	113.44	33.17	146.61	113.44	28.85	142.29	115.32	24.47	139.79
11.	Switzerland	0.06	-	0.06	0.03	-	0.03	-	-	-	-	-	-	-	-	-
12.	USA	24.43	4.54	28.97	24.29	3.76	28.05	22.49	2.96	25.45	12.80	2.04	14.84	12.64	1.66	14.30
13.	Grand Total (A+B)	4,105.85	707.73	4,813.58	4,258.51	667.06	4,925.57	4,366.10	620.67	4,986.77	4,343.32	571.16	4,914.48	4,184.71	522.18	4,706.89

Note 1: Loan currencies converted to INR adopting the exchange rate as on 30th March 2012 and subject to change. INR converted to US\$ adopting 50.95 (RBI reference rate for Government Foreign Transaction).

Note 2: The Projections are based on debt outstanding as at end March 2012 on Government Account against Multilateral and Bilateral debt under external assistance. The projections include debt service arising out of Committed Undisbursed Balance (CUB). It excludes debt servicing on account of Defence debt and FII investment in Government securities.

Creditor-wise External Debt service Payments on Government Account

(US\$ million)

Sl. No.	Component	2007-08			2008-09			2009-10			2010-11PR			2011-12QE		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I.	External Debt on Govt. Account under External Assistance (A+B)	1,865	978	2,843	2,415	1,057	3,472	2,471	802	3,273	2,634	706	3,340	2,667	687	3,354
A.	Multilateral (1 to 6)	1,065	672	1,737	1,367	681	2,048	1,386	432	1818	1,528	317	1,845	1,545	314	1,859
1	ADB	66	170	236	164	220	384	135	100	235	182	53	235	213	46	259
2	EEC	2	0	2	1	0	1	2	0	2	1	0	1	1	0	1
3	IBRD	265	302	567	419	262	681	388	126	514	474	70	544	469	69	538
4	IDA	721	197	918	772	196	968	849	203	1052	858	191	1,049	849	196	1,045
5	IFAD	10	3	13	10	3	13	11	3	14	11	3	14	11	3	14
6	OPEC	1	0	1	1	0	1	1	0	1	2	0	2	2	0	2
B.	Bilateral (7 to 12)	800	306	1,106	1,048	376	1,424	1,085	370	1455	1,106	389	1,495	1,122	373	1,495
7	Germany	96	20	116	136	29	165	106	24	130	93	28	121	114	30	144
8	France	53	14	67	60	14	74	56	11	67	47	9	56	44	8	52
9	Japan	533	208	741	679	258	937	699	262	961	733	280	1,013	737	271	1,008
10	Russian Federation	34	47	81	99	60	159	162	60	222	184	61	245	193	55	248
11	Switzerland	0	0	0	1	0	1	1	0	1	1	0	1	1	0	1
12	USA	84	17	101	73	15	88	61	13	74	48	11	59	33	9	42

PR: Partially Revised; QE: Quick Estimates.

External Commercial Borrowings^a

(US\$ million)

Year	Approvals ^b	Gross Disbursements ^c	Amortisation ^c	Interest ^c	Total Debt Service ^c	Debt Outstanding ^c
1	2	3	4	5	6	7
1990-91	1,903	1,700	1,191	1,042	2,233	13,909
1991-92	2,127	2,798	1,146	994	2,140	15,557
1992-93	2,200	1,001	1,357	917	2,274	15,818
1993-94	2,585	1,859	1,703	896	2,599	16,650
1994-95	4,469	2,670	2,513	1,091	3,604	18,037
1995-96	6,286	4,538	3,311	1,162	4,473	19,024
1996-97	8,581	7,018	4,032	1,177	5,209	20,261
1997-98	8,712	7,400	3,411	1,406	4,817	23,946
1998-99	5,200	6,927	3,153	1,575	4,728	28,182
1999-00	3,398	2,289	3,460	1,635	5,095	27,530
2000-01	2,837	9,295	5,043	1,683	6,726	30,922
2001-02	2,653	2,933	4,013	1,534	5,547	29,579
2002-03	4,235	3,033	5,001	1,180	6,181	28,074
2003-04	6,671	5,149	8,015	2,031	10,046	25,809
2004-05	11,490	9,094	3,571	959	4,530	31,595
2005-06	17,175	14,606	11,518	2,996	14,514	32,371
2006-07	24,492	20,727	3,785	1,709	5,494	48,459
2007-08	28,842	29,112	6,063	2,630	8,693	71,051
2008-09	16,517	14,024	6,426	2,702	9,128	77,862
2009-10	21,703	15,951	11,501	2,397	13,898	82,518
2010-11 PR	25,218	22,960	10,094	3,508	13,602	96,368
2011-12 QE	35,710	31,415	19,782	5,416	25,198	111,498

PR: Partially Revised; QE: Quick Estimates.

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.