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At end-March 2011, India's external debt stock stood at US\$ 305.9 billion, increasing by US\$ 44.9 billion (17.2 per cent) over the end-March 2010 level of US\$ 261.0 billion. The increase in external debt was mainly due to higher commercial borrowings and short-term trade credits, which is in line with high growth of the economy and strong domestic demand in 2010-11.

The share of commercial borrowing in total external debt has increased from 19.7 per cent at end-March 2005 to 28.9 per cent at end-March 2011. The changing composition of debt in favour of commercial borrowing however is also an indication of maturing market economy and the increasing role that corporate sector is playing in sustaining high growth rate.

The total long-term external debt increased by US\$ 32.2 billion to US\$ 240.9 billion at end-March 2011 from US\$ 208.7 billion at end-March 2010, while short-term showed an increase of US\$ 12.7 billion to US\$ 65.0 billion from US\$ 52.3 billion at end-March 2010. The long-term debt accounted for 78.8 per cent, while the remaining 21.2 per cent was short-term debt at end-March 2011.

Government (sovereign) external debt stood at US\$ 78.2 billion at end-March 2011, higher by US\$ 11.1 billion (16.5 per cent) over its level of US\$ 67.1 billion at end-March 2010. It accounted for 25.6 per cent of the total external debt, almost the same as in previous year (25.7 per cent at end-March 2010). Government guaranteed external debt was US\$ 8.6 billion at end-March 2011 vis-a-vis US\$ 7.8 billion at end-March 2010.

India's key debt indicators compare well with other indebted developing countries. The Global Development Finance, 2011 of the World Bank, which contains external debt numbers for 2009, shows that India's position was *fifth*, in terms of absolute debt stock amongst the top twenty developing debtor countries. In terms of ratio of external debt to Gross National Income, India's position however was the *fifth* lowest.

The complete Annual Status Report 2010-11 is available at the website of the Ministry of Finance – www.finmin.nic.in.