



**India's
Quarterly External Debt Report
For Quarter
Ending September 2021**

**Government of India
Ministry of Finance
Department of Economic Affairs
External Debt Management Unit
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India's External Debt as at end of September 2021

The stock of external debt as at end-September 2021 along with the revised data for earlier quarters is set out in Statement I (old format) and II (IMF format¹). The major developments relating to India's external debt as at end-September 2021 are presented below:

Highlights

- India's external debt continues to be sustainable and prudently managed.
- At end-September 2021, India's external debt was placed at US\$ 593.1 billion, recording an increase of US\$ 22.3 billion over its level at end-June 2021 (Table 1).
- The external debt to GDP ratio fell marginally to 20.1 per cent as at end-September 2021 from 20.2 per cent at end-June 2021 (Table 5).
- Valuation gain due to the appreciation of the US dollar vis-à-vis major currencies such as euro, yen and Special Drawing Rights (SDRs) was placed at US\$ 1.4 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 23.7 billion instead of an increase of US\$ 22.3 billion at end-September 2021 over end-June 2021.
- Commercial borrowings remained the largest component of external debt, with a share of 36.9 per cent, followed by non-resident deposits (23.9 per cent) and short-term trade credit (16.4 per cent).
- At end-September 2021, long-term debt (with original maturity of above one year) was placed at US\$ 492.5 billion, recording an increase of US\$ 24.2 billion over its level at end-June 2021 (Table 1).
- The share of short-term debt (with original maturity of up to one year) in total external debt declined to 17.0 per cent at end-September 2021 from 18.0 per cent at end-June 2021; the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 15.8 per cent at end-September 2021 (16.8 per cent at end-June 2021) (Table 5).
- Short-term debt on residual maturity basis (*i.e.*, debt obligations that include long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity) constituted 43.2 per cent of total external debt as at end-September 2021 (44.7 per cent at end-June 2021) and stood at 40.3 per cent of foreign exchange reserves (41.8 per cent at end-June 2021) (Table 2).

¹ The concepts set out in the IMF's 2013 External Debt Statistics (EDS) Guide are harmonized with those of the System of National Accounts (SNA) 2008 and the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) published in 2009.

- US dollar denominated debt remained the largest component of India's external debt, with a share of 51.0 per cent at end-September 2021, followed by the Indian rupee (32.2 per cent), SDR (7.1 per cent), Yen (5.6 per cent), and the Euro (3.3 per cent).
- The borrower-wise classification shows that the outstanding external debt of both government and non-government sector increased as at end-September 2021 over the previous quarter (Table 3). The rise in the external debt of government sector can mainly be attributed to increased IMF allocation of SDRs.
- The share of outstanding debt of non-financial corporations in total external debt was highest at 39.6 per cent, followed by deposit-taking corporations (except the central bank) (27.0 per cent), general government (21.2 per cent) and other financial corporations (7.8 per cent).
- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 33.9 per cent, followed by currency and deposits (24.1 per cent), trade credit and advances (16.9 per cent) and debt securities (16.8 per cent) (Table 4).
- Debt service (principal repayments plus interest payments) increased to 4.7 per cent of current receipts at end-September 2021, from 4.1 per cent at end-June 2021 reflecting lower current receipts (Table 5).

Table 1: External Debt - Outstanding and Variation

Components	(US\$ Billion)						
	Outstanding as at end of			Absolute Variation		Percentage Variation	
	Sep-20 PR	Jun-21 PR	Sep-21 P	Sep-21 over Sep-20	Sep-21 over Jun-21	Sep-21 over Sep-20	Sep-21 over Jun-21
1	2	3	4	5	6	7	8
1. Multilateral	67.0	70.2	71.4	4.4	1.2	6.5	1.7
2. Bilateral	29.3	30.8	30.9	1.6	0.1	5.6	0.5
3. IMF	5.6	5.7	23.3	17.7	17.6	316.3	310.8
4. Trade Credit	7.0	5.7	5.6	-1.4	-0.1	-19.6	-1.7
5. Commercial Borrowing	206.8	213.4	218.8	12.0	5.3	5.8	2.5
6. NRI Deposits	137.3	141.5	141.6	4.3	0.0	3.1	0.0
7. Rupee Debt	1.0	1.0	1.0	0.0	0.0	-3.7	-1.6
8. Short-term Debt	102.8	102.5	100.6	-2.3	-1.9	-2.2	-1.9
of which							
Short-term Trade Credit	99.4	99.2	97.4	-2.0	-1.8	-2.0	-1.8
Total External Debt	556.8	570.8	593.1	36.3	22.3	6.5	3.9
<i>Memo items:</i>							
A. Long term debt (original maturity) [@]	454.0	468.3	492.5	38.5	24.2	8.5	5.2
B. Short Term Debt (original maturity) [#]	102.8	102.5	100.6	-2.3	-1.9	-2.2	-1.9
PR: Partially Revised P: Provisional							
[@] Debt with original maturity of above one year							
[#] Debt with original maturity up to one year							

Table 2: Residual Maturity of Outstanding External Debt as at end-September 2021

Sector	(US\$ Billion)				
	Short-term up to one year	1 to 2 years	2 to 3 years	More than 3 years	Total (2 to 5)
1	2	3	4	5	6
I. General Government	6.4	7.2	8.4	103.7	125.7
I.A. Short-term Debt	0.3				0.3
I.B. Long-term Debt	6.1	7.2	8.4	103.7	125.5
II. Central Bank	0.1	0.0	0.0	0.0	0.1
II.A. Short-term Debt	0.1				0.1
II.B. Long-term Debt	0.0	0.0	0.0	0.0	0.0
III. Deposit-Taking Corporations, except the Central Bank	107.0	18.6	10.2	24.2	160.0
III.A. Short-term Debt	1.2				1.2
III.B. Long-term Debt	105.8	18.6	10.2	24.2	158.8
IV. Other Sectors	136.4	26.1	30.0	88.6	281.1
IV.A. Short-term Debt	98.9				98.9
IV.B. Long-term Debt	37.5	26.1	30.0	88.6	182.2
IV.1. Other financial corporations	8.1	11.2	7.4	19.3	46.0
IV.1.A. Short-term Debt	1.6				1.6
IV.1.B. Long-term Debt	6.5	11.2	7.4	19.3	44.4
IV.2. Non-financial corporations	128.3	15.0	22.5	69.3	235.1
IV.2.A. Short-term Debt	97.4				97.4
IV.2.B. Long-term Debt	31.0	15.0	22.5	69.3	137.7
IV.3. Households and nonprofit institutions serving households (NPISHs)	0.0	0.0	0.0	0.0	0.0
IV.3.A. Short-term Debt	0.0				0.0
IV.3.B. Long-term Debt	0.0	0.0	0.0	0.0	0.0
V. Direct Investment: Intercompany Lending	5.9	2.5	3.8	13.8	26.0
A. Total Short-term Debt	100.6				100.6
B. Total Long-term Debt	155.4	54.5	52.4	230.2	492.5
C. Total Debt (A+B)	256.0	54.5	52.4	230.2	593.1
<i>Memo Items:</i>					
Short-term Debt (residual maturity) as per cent of Total External Debt					43.2
Short-term Debt (residual maturity) as per cent of Foreign Exchange Reserves					40.3

Table 3: Government and Non-Government External Debt

Instrument	(US\$ Billion)		
	Sep-20 PR	Jun-21 PR	Sep-21 P
1	2	3	4
A. Government Debt (I+II)	103.6	106.9	125.7
<i>(As Percent of GDP)</i>	4.0	3.8	4.3
I. External Assistance under Govt. Account	80.1	84.5	85.7
II. Other Government External Debt [@]	23.5	22.4	40.0
B. Non-Government Debt	453.2	463.8	467.3
<i>(As Percent of GDP)</i>	17.6	16.4	15.9
B.1. Central Bank	0.2	0.3	0.1
B.2. Deposit-Taking Corporations, except the Central Bank	156.1	160.4	160.0
B.3. Other financial corporation	40.8	45.0	46.0
B.4. Non- financial corporation	230.8	232.3	235.1
B.5. Households and non-profit institutions serving households (NPISHs)	0.0	0.0	0.0
B.6. Direct investment: Intercompany lending	25.3	25.8	26.0
C. Total External Debt	556.8	570.8	593.1
<i>(As Percent of GDP)</i>	21.6	20.2	20.1
PR: Partially Revised P: Provisional			
@: Other government external debt includes defence debt, investment in Treasury Bills/government securities by FPIs, foreign central banks and international institutions and IMF.			

Table 4: Outstanding External Debt by Instruments

Instrument	(US\$ Billion)		
	Sep-20 PR	Jun-21 PR	Sep-21 P
1	2	3	4
Special Drawing Rights (allocations)	5.6	5.7	23.3
Currency and deposits	138.8	143.1	142.9
Debt securities	95.2	96.7	99.3
Loans	189.7	197.4	201.2
Trade credits and advances	102.2	102.1	100.3
Other debt liabilities	0.0	0.0	0.0
Direct investment: Intercompany lending	25.3	25.8	26.0
Total External Debt	556.8	570.8	593.1
PR: Partially Revised P: Provisional			

Table 5: India's Key External Debt Indicators

End-March	(Per cent, unless indicated otherwise)						
	External Debt (US\$ billion)	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-Term Debt to Foreign Exchange Reserves	Ratio of Short-Term Debt (original maturity) to Total Debt
1	2	3	4	5	6	7	8
1991	83.8	28.3	35.3	7.0	45.9	146.5	10.2
1996	93.7	26.6	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.1	16.6	41.7	35.4	8.6	3.6
2006	139.1	17.1	10.1 [#]	109	28.4	12.9	14.0
2007	172.4	17.7	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.3	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.7	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.5	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.6	4.4	95.9	14.9	21.3	20.4
2012	360.8	21.1	6.0	81.6	13.3	26.6	21.7
2013	409.4	22.4	5.9	71.3	11.1	33.1	23.6
2014	446.2	23.9	5.9	68.2	10.4	30.1	20.5
2015	474.7	23.8	7.6	72.0	8.8	25.0	18.0
2016	484.8	23.4	8.8	74.3	9.0	23.2	17.2
2017	471.0	19.8	8.3	78.5	9.4	23.8	18.7
2018	529.3	20.1	7.5	80.2	9.1	24.1	19.3
2019	543.1	19.9	6.4	76.0	8.7	26.3	20.0
2020	558.4	20.6	6.5	85.6	8.8	22.4	19.1
2021 PR	569.6	21.1	8.2	101.3	9.1	17.5	17.7
End-June 2021 PR	570.8	20.2	4.1	107.1	9.0	16.8	18.0
End-Sept. 2021 P	593.1	20.1	4.7	107.1	8.6	15.8	17.0

PR: Partially Revised. P: Provisional

[#] Works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and pre-payment of external debt of US\$ 23.5 million.