सत्यमेव जयते

INDIA'S EXTERNAL DEBT

A Status Report

2010-11

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

FOREWORD

I am happy to present the seventeenth issue of the annual publication titled 'India's External Debt: A Status Report 2010-11'. The Report presents a detailed analysis of trend, composition and debt service of India's external debt and provides a comparative external indebtedness picture vis-a-vis other developing countries.

2. India's external debt increased from US$ 261.0 billion at end-March 2010 to US$ 305.9 billion at end-March 2011, showing a rise of 17.2 per cent during the year. The increase is largely due to higher external commercial borrowing and short-term trade flows, which is in line with strong domestic demand and high growth of the economy.

3. 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.

4. India's external debt has remained within manageable limits despite the increase in absolute terms and the changing composition. This is indicated by external debt to **GDP** ratio of 17.3 percent and debt service ratio of 4.2 percent in 2010-11. The external debt to GDP ratio was 38.7 per cent in 1991-92 and 22.5 per cent in 2000-01. The debt service ratio similarly was 30.2 per cent in 1991-92 and 16.6 per cent in 2000-01. The steady improvement in India's external indebtedness position has been due to prudent external debt management policy followed by the Government of India, the main planks of which are monitoring long and short-term debt, raising sovereign loans on concessional terms with longer maturities and regulating external commercial borrowings.

5. I hope that the Report would be useful to the Hon'ble Members of Parliament, research scholars, policy makers and the general public in understanding and analyzing issues relating to external debt of the country.

New Delhi
29 August 2011

(PRANAB MUKHERJEE)
Finance Minister

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LIST OF ABBREVIATIONS

AAAD	Aid Accounts & Audit Division
AD	Authorised Dealers
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
HDFC	Housing Development Finance Corporation Ltd.
HUDCO	Housing and Urban Development Corporation Ltd.
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 Buyouts
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
NSA	Not separately available
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 2010-11' is prepared in the External Debt Management Unit of the Ministry of Finance under the overall direction of Chief Economic Adviser (Dr. Kaushik Basu). The Unit led by Economic Adviser (Shri Anil Bisen) comprises Additional Economic Adviser (Shri Sunil Saran), Officer on Special Duty (Dr. Rajmal) and Assistant Director (Shri Rangeet Ghosh). Dr. Bhagwan Das, Assistant Adviser, Shri Krishan Kumar and Smt. Meera were responsible for data compilation. The Hindi Section has provided valuable support in translation and Budget Press in Desktop publishing (DTP) and printing work.

CHAPTER 1

OVERVIEW

1.1 India's external debt stock stood at US$ 305.9 billion at end-March 2011, increasing by US$ 44.9 billion (17.2 per cent) over the end-March 2010 level of US$ 261.0 billion. The external debt- GDP ratio was 17.3 per cent at end-March 2011, as against 18.0 per cent at end-March 2010.

1.2 The rise in external debt during the year 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.

1.3 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 is also an indication of maturing market economy and the increasing role that corporate sector is playing in sustaining high growth rate.

1.4 The total long-term external debt increased by US$ 32.2 billion (15.4 per cent) 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 (24.2 per cent) to US$ 65.0 billion from US$ 52.3 billion at end March 2010. At end-March 2011, the long-term external debt accounted for 78.8 per cent of total India's external debt, while the remaining 21.2 per cent was short-term debt.

1.5 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.

1.6 The currency composition of India's external debt shows that US dollar continues to remain the predominant currency accounting for 53.5 per cent of total external debt at end-March 2011, followed by the Indian rupee (19.5 per cent), Japanese yen (11.4 per cent) and SDR (9.7 per cent).

1.7 The valuation effect, due to depreciation of the US dollar against major international currencies, contributed US$ 6.5 billion to the total increase of US$ 44.9 billion at end-March 2011 over the end-March 2010. Excluding valuation effect, the stock of external debt at end-March 2011 would have increased by US$ 38.4 billion over the level at end-March 2010.

1.8 Despite the increase in absolute terms and the changing composition, India's external debt has remained within manageable limits. This is indicated by external debt to GDP ratio of 17.3 percent and debt service ratio of 4.2 percent in 2010-11. The external debt to GDP ratio was 38.7 per cent in 1991-92 and 22.5 per cent in 2000-01. The debt service ratio, similarly was 30.2 per cent in 1991-92 and 16.6 per cent in 2000-01. The summary of key external debt indicators from 2005-06 is shown in **Table 1.1.**

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	20.5	4.4	112.1	18.7	17.2	19.3
2009-10 PR	261.0	18.0	5.5	106.9	16.8	18.8	20.0
2010-11QE	305.9	17.3	4.2	99.6	15.6	21.3	21.2

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.

1.9 The steady improvement in India's external indebtedness position has been due to prudent external debt management policy followed by the Government of India, the main planks of which are monitoring long and short-term debt, raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings through end-use and all-in-cost restrictions, and rationalizing interest rates on Non-Resident Indian (NRI) deposits.

2.0 India's key debt indicators compare well with other indebted developing countries. According to the latest Global Development Finance, 2011 of the World Bank, which contains external debt numbers for 2009, India's position was fifth, after China, Russian Federation, Brazil and Turkey, 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 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 fourth highest after China, Thailand and Malaysia.

CHAPTER 2

CLASSIFICATION OF EXTERNAL DEBT

2.1 Stock of External Debt

2.1.1 At end-March 2011, India's external debt stock in US dollar terms was US$ 305.9 billion, recording an increase of US$ 44.9 billion (17.2 per cent) over end-March 2010 estimate of US$ 261.0 billion. In rupee terms, outstanding debt stood at ₹ 1,366,117 crore, reflecting a rise of ₹ 1,87,021 crore (15.9 per cent) over the end-March 2010 estimate of ₹ 1,179,096 crore **(Table 2.1).** India's external debt burden remains within manageable limits, which is evident from declining external debt-GDP ratio. The ratio that measures the burden of external debt, declined from 20.5 per cent at end-March 2009 to 18.0 per cent at end-March 2010 and further to 17.3 per cent at end-March 2011.

Table 2.1: India's External Debt Stock (2005-11)

Unit	at end-March						
	2005	2006	2007	2008	2009	2010	2011
1	2	3	4	5	6	7	8
US Dollar million	134,002	139,114	172,360	224,407	224,498	261,036	305,892
Rupee crore	5 86,305	620,522	751,402	897,290	1,142,125	1,179,096	1,366,117
External debt to GDP (per cent)	*18.1*	*16.8*	*17.5*	*18.0*	*20.5*	*18.0*	*17.3*

2.1.2 The *valuation effect* accounted for a rise of US$ 6.5 billion in the debt stock due to depreciation of US dollar against major international currencies. Excluding valuation effect, the stock of external debt at end-March 2011 would have increased by US$ 38.4 billion over the level at end-March 2010.

2.1.3 The increase in total external debt at end-March 2011 over end-March 2010 was mainly due to commercial borrowings that accounted for 38.9 per cent of the rise in total debt, followed by short-term debt (28.2 per cent) and multilateral credit (12.5 per cent). Strong domestic demand along with the rising interest rate differential led to higher net inflows under commercial borrowings. Short-term debt witnessed higher growth mainly due to trade related credit, in line with the increase in India's imports, due to strong domestic economic activity.

Box 2.1: Changing Composition of India's External Debt

India's external debt stock has witnessed structural change in terms of composition over the years. The share of concessional in total debt has declined due to shrinking share of official creditors and the Government debt and the surge in non-concessional private debt. The proportion of concessional in total debt declined from 42.9 per cent (average) during the period 1991-2000 to 28.1 per cent in 2001-2010 and further to 15.6 per cent at end-March 2011 (**Figure 2.1**). The rising share of non-government debt is evident from the fact that such debt accounted for 65.6 per cent of total debt during the decade of 2000s, vis-a-vis 45.3 per cent in 1990s. Non-Government debt accounted for over 70 per cent of total debt in the last five years and stood at 74.4 per cent at end-March 2011 (**Figure 2.2**).

Component-wise, the share of multilateral and bilateral credit in total external debt are showing decline while the commercial borrowings reflect rising trends over the years (**Figure 2.3 and 2.4**). The share of commercial borrowings in total debt increased from 15.6 per cent in the decade of 1990s to 23.4 per cent during the decade of 2000s and further to 28.9 per cent at end-March 2011. The rising share of commercial borrowings reflects maturing market economy and the increasing role that corporate sector is playing in sustaining high growth rate.

Figure 2.1: Concessional and Non-Concessional External Debt

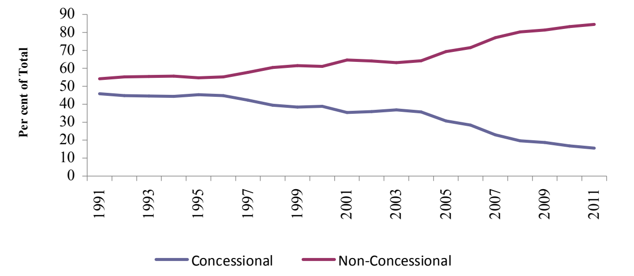


Figure 2.2: Government and Non-Government External Debt

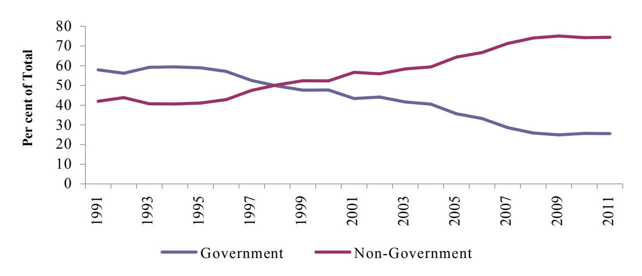


Figure 2.3: Share of Multilateral and Bilateral Credit in Total External Debt (per cent)

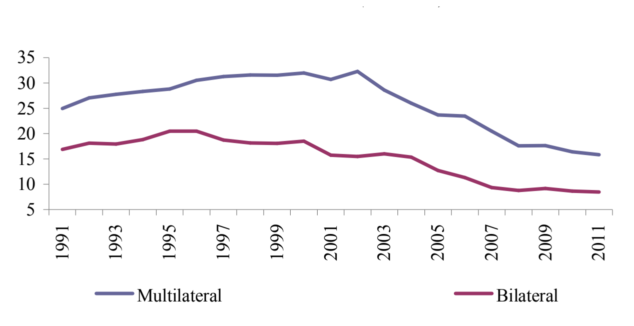
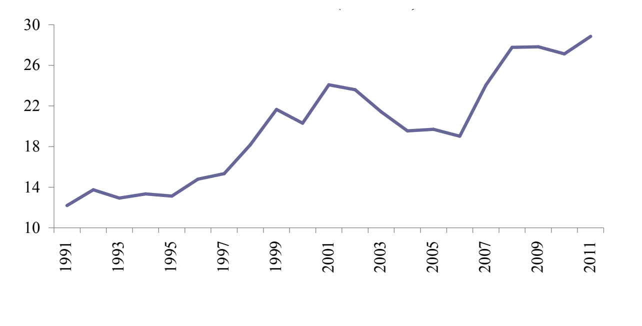


Figure 2.4: Share of Commercial Borrowings in Total External Debt (per cent)



2.2 Creditor Classification

2.2.1 **Table 2.2** provides the details of the major components of external debt stock. The long-term debt stood at US$ 240.9 billion while the short-term debt was US$ 65.0 billion at end-March 2011.

Table 2.2 : Composition of External Debt (US$ million)

S.No.	Components	at end-March			Variation			
					Amount		Per cent	
		2009	2010 PR	2011 QE	2009 to 2010	2010 to 2011	2009 to 2010	2010 to 2011
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	Multilateral	39,538	42,859	48,464	3,321	5,605	8.4	13.1
2	Bilateral	20,610	22,593	25,953	1,983	3,360	9.6	14.9
3	IMF	1,018	6,041	6,308	5,023	267	493.4	4.4
4	Export credit	14,481	16,867	18,627	2,386	1,760	16.5	10.4
5	Commercial Borrowings	62,461	70,800	88,267	8,339	17,467	13.4	24.7
6	NRI Deposits (Long-term)	41,554	47,890	51,682	6,336	3,792	15.2	7.9
7	Rupee debt	1,523	1,657	1,601	134	-56	8.8	-3.4
8	**Long-term debt (1 to 7)**	**181,185**	**208,707**	**240,902**	**27,522**	**32,195**	**15.2**	**15.4**
9	**Short-term debt**	**43,313**	**52,329**	**64,990**	**9,016**	**12,661**	**20.8**	**24.2**
10	**Total External Debt (8+9)**	**224,498**	**261,036**	**305,892**	**36,538**	**44,856**	**16.3**	**17.2**

PR: Partially Revised, QE: Quick Estimates.

2.2.2 The component wise details of external debt since 2001 in Rupee crore and US dollar million is given at **Annex III** and **Annex IV,** respectively and the quarter-wise external debt outstanding is in **Annex V** and **VI.**

Box 2.2: Trends in India's External Debt Indicators

India's external debt has remained within manageable limits despite the increase in absolute debt numbers. The external debt to GDP ratio was 17.3 percent in 2010-11, compared with 38.7 per cent in 1991-92 and 22.5 per cent in 2000-01 (**Figure 2.5**). This is an indication of active external debt management policy followed by the Government of India, the main planks of which are monitoring long and short-term debt, raising sovereign loans on concessional terms with longer maturities and regulating external commercial borrowings.

The ratio of foreign exchange reserves to total external debt has also shown a steady uptrend from a level of 7 per cent in 1990-91 to as high as 138 per cent at end-March 2008. At end-March 2011, foreign exchange reserves provided almost 100 per cent cover to the India's external debt (**Figure 2.6**).

Figure 2.5: External Debt Stock to GDP Ratio (per cent)

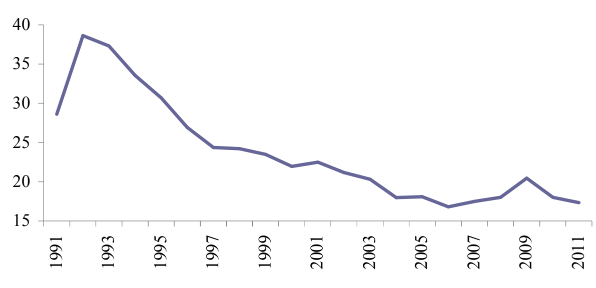
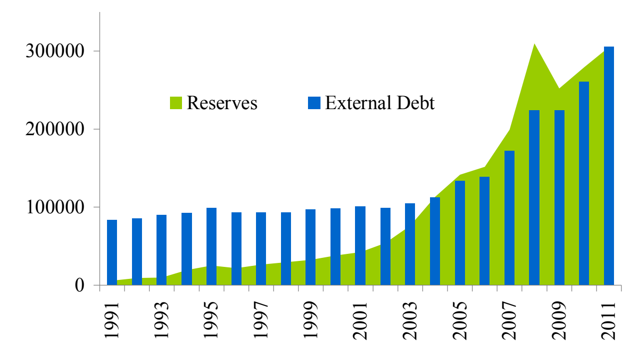


Figure 2.6: India's External Debt Stock and Reserves (US$ million)



2.2.3 At end-March 2011, long-term debt accounted for 78.8 per cent of total external debt, while the remaining 21.2 per cent was short-term debt. Long-term components such as commercial borrowings, NRI deposits and multilateral borrowings constitute a significant share of external debt. Together these components accounted for 61.6 per cent of total external debt at the end of March 2011, while the remaining 17.2 per cent was accounted for by other components (i.e., bilateral, export credit, IMF and rupee debt). The share of commercial borrowings continued to be the highest at 28.9 per cent in total external debt followed by NRI deposits (16.9 per cent) and multilateral debt (15.8 per cent) (**Table 2.3**).

Table 2.3: Creditor Classification of External Debt

(Per cent)

		at end-March						
Sl. No.	**Category**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010 PR**	**2011 QE**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	Multilateral	23.7	23.4	20.5	17.6	17.6	16.4	15.8
2	Bilateral	12.7	11.3	9.3	8.8	9.2	8.7	8.5
3	IMF	0.8	0.7	0.6	0.5	0.5	2.3	2.1
4	Export Credits	3.8	3.9	4.2	4.5	6.5	6.5	6.1
5	Commercial Borrowings	19.7	19.0	24.0	27.8	27.8	27.1	28.9
6	NRI Deposits	24.4	26.1	23.9	19.5	18.5	18.3	16.9
7	Rupee Debt	1.7	1.5	1.1	0.9	0.7	0.6	0.5
8	**Long-term Debt (1to7)**	**86.8**	**85.9**	**83.6**	**79.6**	**80.7**	**80.0**	**78.8**
9	**Short-term Debt**	**13.2**	**14.1**	**16.4**	**20.4**	**19.3**	**20.0**	**21.2**
10	**Grand Total (8+9)**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

PR: Partially Revised, QE: Quick Estimate.

Figure 2.7 : Creditor Classification of External Debt at end-March 2005 (per cent)

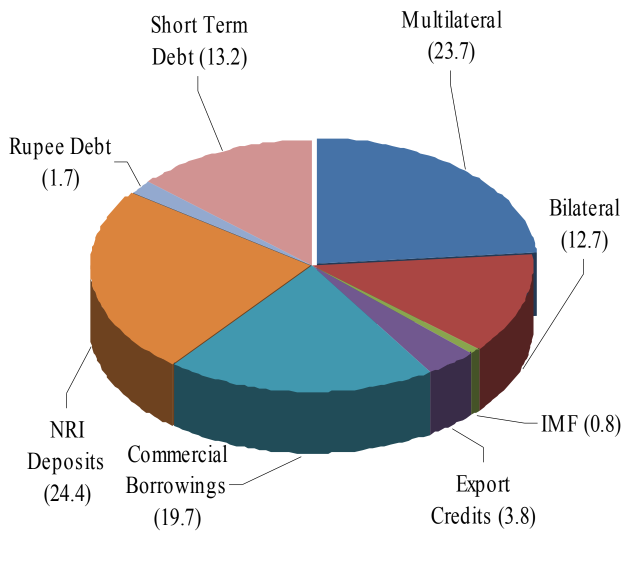
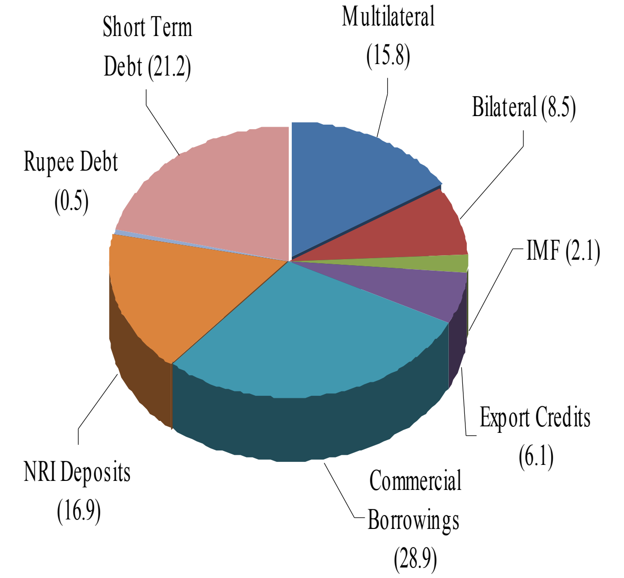


Figure 2.8 : Creditor Classification of External Debt at end-March 2011 (per cent)



Box 2.3: Foreign Currency Convertible Bonds

Over the years, Foreign Currency Convertible Bonds (FCCBs) have emerged as an important instrument for meeting the financing requirements of corporate India. The Scheme for issue of FCCBs and Ordinary Shares (Through Depositary Receipt Mechanism) was notified by the Government of India in November, 1993. Revisions/modifications in the operative guidelines of the scheme have been made from time to time.

Foreign Currency Convertible Bonds (FCCBs) are quasi-debt instruments. These provide the bondholders an option to convert the bonds into equity. FCCBs are issued in a currency different from the issuer's domestic currency and the principal and interest is payable in foreign currency. FCCBs generally are issued for a maturity period of more than five years. Several Indian companies raised the capital through issue of FCCB during 2005-08, when the stock markets were buoyant and the conversion prices were high. The bonds amounting to over US$ 7 billion are nearing maturity by March 2013. The FCCBs issued earlier may not get converted into equity shares as the stock prices of issuing companies now seem to be below their conversion prices.

After assessing the policy on buyback/prepayment of FCCBs in June 2011, it was decided to extend the time limit for buyback of FCCBs issued by Indian companies up to March 31, 2012 at reduced discount rates. Accordingly, Indian companies have been permitted to buyback the FCCBs at a minimum discount of 8 per cent on the book value utilizing their foreign currency funds under the *automatic route*. Indian companies may also buyback the FCCBs at a minimum discount between 10 and 20 per cent on the book value utilizing their internal accruals under the *approval route* (A.P. (DIR Series) Circular No. 75 dated June 30, 2011).

In order to facilitate refinancing of FCCBs, Indian companies have been allowed to raise fresh ECB/FCCB as per the extent ECB guidelines (Reserve Bank of India's Press Release dated July 4, 2011, 'Redemption of Foreign Currency Convertible Bonds (FCCBs).

2.2.4 The share of *official* creditors in total external debt has declined over the years. The private creditors have accounted for over 70 per cent of total external debt in recent years. The ratio of official and private creditors that was about 40:60 per cent in 2005 changed to 27:73 per cent in 2011 (**Table 2.4**).

Table 2.4: Share of Official and Private Creditors in External Debt (per cent)		
At end-March	**Official Creditors**	**Private Creditors**
1	**2**	**3**
2005	39.7	60.3
2006	37.7	62.3
2007	32.2	67.8
2008	28.4	71.6
2009	28.5	71.5
2010 PR	28.6	71.4
2011 QE	27.4	72.6

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 provides category-wise details of external debt (**Table 2.5** and **Annex VII**). The non-Government debt as a percentage of total external debt has increased from 64.4 per cent at end-March 2005 to 74.4 per cent at end-March 2011. During the same period, share of Government debt declined from 35.6 per cent to 25.6 per cent.

Table 2.5: External Debt by Borrower Classification

(US$ million)

Sl. No.	**Components**	**at end-March 2005**	**2006**	**2007**	**2008**	**2009**	**2010 PR**	**2011 QE**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
I.	**Government Debt (A+B)**	**47,697**	**46,259**	**49,360**	**58,070**	**55,870**	**67,067**	**78,165**
A.	*Of which long-term (1+2):*	46,538	46,119	49,034	57,455	54,931	65,549	75,323
1	Govt. Account	43,686	43,510	46,155	52,541	51,816	55,235	62,388
2	Other Govt. Debt	2,852	2,609	2,879	4,914	3,115	10,314	12,935
B.	Short-term	1,159	140	326	615	939	1,518	2,842
II.	**Non-Government Debt (C+D)**	**86,305**	**92,855**	**123,000**	**166,337**	**168,628**	**193,969**	**227,727**
C.	*Of which long-term (1+2+3):*	69,741	73,456	95,196	121,214	126,254	143,158	165,579
1	Financial Sector*	43,455	42,334	48,414	51,138	48,617	55,679	61,430
2	Public Sector**	6,496	6,671	7,978	11,040	12,599	14,009	17,322
3	Private Sector***	19,790	24,451	38,804	59,036	65,038	73,470	86,827
D.	*Of which short-term:*	16,564	19,399	27,804	45,123	42,374	50,811	62,148
III.	**Total External Debt (I+II)**	**134,002**	**139,114**	**172,360**	**224,407**	**224,498**	**261,036**	**305,892**
	Memo Items:							
	Share of Government debt in total debt (%)	35.6	33.3	28.6	25.9	24.9	25.7	25.6
	Share of Non-Government debt in total debt (%)	64.4	66.7	71.4	74.1	75.1	74.3	74.4
	Ratio of Government debt to GDP (%)	*6.3*	*5.5*	*5.0*	*4.7*	5.1	4.9	4.4

PR: Partially Revised; QE: Quick Estimates.

*: *Financial sector represents borrowings by banks and financial institutions and also include long-term NRI Deposits.*
**: *Public sector debt represents borrowings of non- financial public sector enterprises.*
***: *Private sector debt represents borrowings of non- financial private sector enterprises.*

2.4 Instrument-wise Classification

2.4.1 Detail of the instrument-wise classification of external debt *viz.*, bonds, loans, trade credits and deposits along with borrower details is presented in **Table 2.6** and **Annex VIII**. The share of loans, which include multilateral, bilateral credit and bank loans, was 49.4 per cent at end-March 2011, followed by trade credits (19.8 per cent), deposits (19.0 per cent) and bonds (11.8 per cent). 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 account for majority share in short term external debt.

Table 2.6: Instrument-wise Classification of External Debt at end-March 2011

(US$ million)

Sl. No.	Borrowers	Bonds	Loans	Trade Credits	Deposits	Total
1	2	3	4	5	6	7
I	Government	5,428 *(1.8)*	62,015 *(20.3)*	1,572* *(0.5)*	6,308** *(2.1)*	**75,323** ***(24.6)***
II	Financial Sector	10,054 (3.3)	9,514 (3.1)	0.0 *(0.0)*	51,682 *(16.9)*	**71,250** **(23.5)**
III	Non-Financial Public Sector	1,319 *(0.4)*	16,003 *(5.2)*	0.0 *(0.0)*	0.0 *(0.0)*	**17,322** ***(5.7)***
IV	Non-Financial Private Sector	12,700 (4.2)	63,677 (20.8)	630 *(0.2)*	0.0 *(0.0)*	**77,007** ***(25.2)***
V	Short-Term Debt	6,527 (2.1)	0.0 *(0.0)*	58,463 *(19.1)*	0.0 *(0.0)*	**64,990** ***(21.2)***
VI	**Total External debt***** **(I to V)**	**36,028** ***(11.8)***[1]	**151,209** ***(49.4)***	**60,665** ***(19.8)***	**57,990** **(19.0)**	**305,892** ***(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$ 305.9 billion) at end-March 2011.

2.5 Currency Composition

2.5.1 The US dollar is the numeraire currency for measuring external debt. Estimating the currency composition of external debt is important to get an idea of exposure of external debt and analysing the impact of currency market volatility.

2.5.2 The currency composition of India's external debt shows that US dollar continues to remain the predominant currency accounting for 53.5 per cent of total external debt at end-March 2011, followed by the Indian rupee (19.5 per cent), Japanese yen (11.4 per cent) and SDR (9.7 per cent) (**Table 2.7** and **Annex IX**).

Table 2.7: Currency Composition of External Debt

(per cent)

Sl. No.	Currency	at end-March						
		2005	2006	2007	2008	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8	9
1	US Dollar	47.7	48.8	51.1	55.3	54.1	53.2	53.5
2	Indian Rupee	19.4	18.8	18.5	16.2	15.4	18.7	19.5
3	Japanese Yen	10.4	10.9	11.4	12.0	14.3	11.5	11.4
4	SDRs	14.9	14.3	12.4	10.6	9.8	10.7	9.7
5	Euro	4.6	4.4	3.9	3.5	4.1	3.6	3.7
6	Pound Sterling	2.6	2.6	2.4	2.2	1.9	1.8	1.7
7	Others	0.4	0.2	0.3	0.2	0.4	0.5	0.5
	Total (1 to 7)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

PR: Partially Revised; QE: Quick Estimates.

Figure 2.9 : Currency Composition of External Debt at end-March 2005 (per cent)

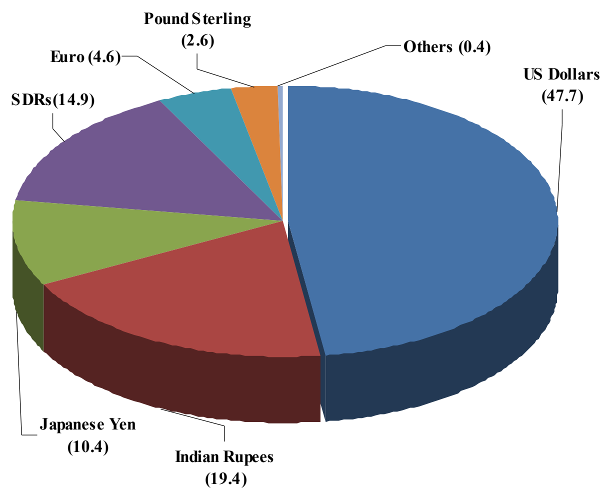
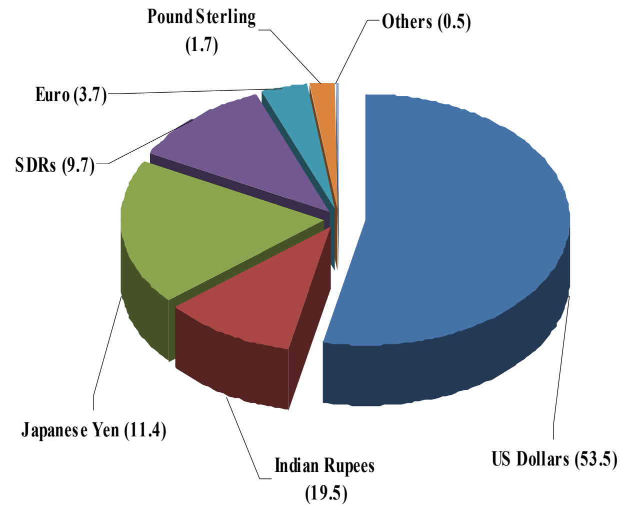


Figure 2.10 : Currency Composition of External Debt at end-March 2011 (per cent)



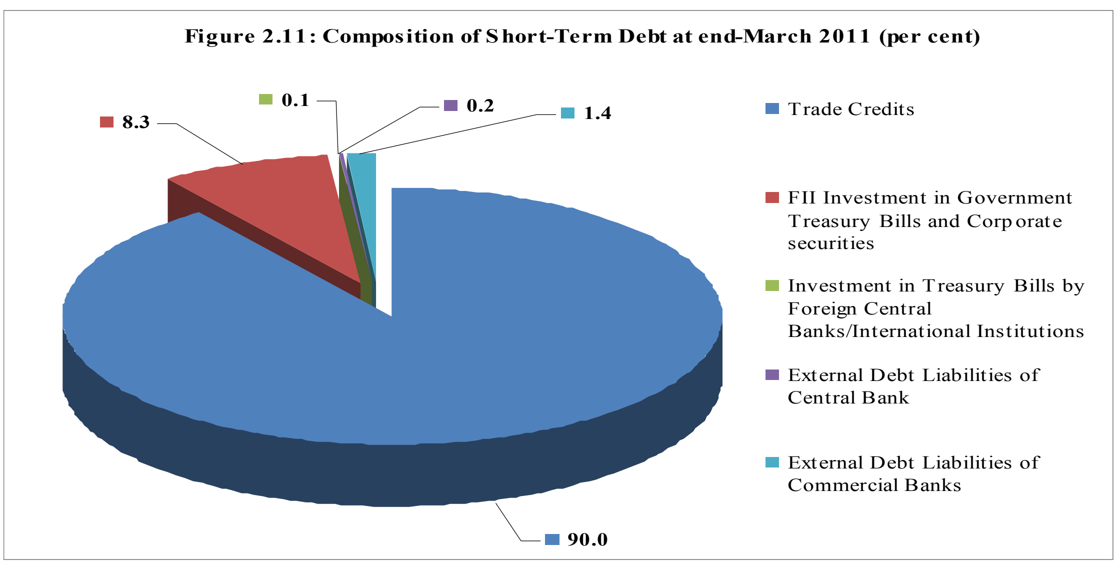
2.6 Short-term Debt

Short-term debt based on original maturity

2.6.1 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 years[1]. The data on short-term debt includes: (i) Trade credit up to 180 days and above 180 days and upto 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 foreign central banks and commercial banks.

2.6.2 At end-March 2011, India's short-term debt was US$ 65.0 billion, reflecting an increase of 24.2 per cent over end-March 2010. The share of trade credit in short-term debt was 90.0 per cent at end-March 2011 as against 90.7 per cent as at end-March 2010. Detail of short-term debt components are given in **Table 2.8**.

Figure 2.11: Composition of Short-Term Debt at end-March 2011 (per cent)



[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. No.	Category	at end-March 2005	2006	2007	2008R	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8	9
1	**Short-term Debt (a to d)**	**17,723**	**19,539**	**28,130**	**45,738**	**43,313**	**52,329**	**64,990**
a)	Trade Credits	16,271	19,399	25,979	41,901	39,915	47,473	58,463
	1) Above 6 months and up to 1 year	7,529	8,696	11,971	22,884	23,346	28,003	35,347
	2) Up to 6 months	8,742	10,703	14,008	19,017	16,569	19,470	23,116
b)	FII investment in Govt. Treasury Bills and corporate securities	1,452	140	397	651	2065	3,357	5,424
c)	Investment in Treasury Bills by foreign central banks and international Institutions, etc.	-	-	164	155	105	103	50
d)	External debt liabilities of	-	-	1,590	3,031	1,228	1,396	1,053
	1) Central Bank	-	-	501	1,115	764	695	155
	2) Commercial Banks	-	-	1,089	1,916	464	701	898

PR: Partially Revised; QE: Quick Estimates.

Short-term debt by residual maturity

2.6.3 While external debt compiled in terms of original maturity helps in comprehending the nature of capital flows, external debt in terms of residual maturity is helpful for analysing the debt service payments profile and the liquidity requirements to service contractual obligations within a year. Short-term debt by residual maturity comprises all the components of short-term debt with original maturity of up to one year, and amounts falling due under long-term debt during the one year reference period.

2.6.4 Based on residual maturity, India's short-term debt stood at US$ 84.1 billion as at the end-March 2011 **(Table 2.9).** At this level, it accounted for 27.6 per cent of total external debt and 27.5 per cent of foreign exchange reserves. The details of short-term debt by remaining maturity are given at **Annex X**.

Table 2.9: Short Term Debt by Residual Maturity

(US$ million)

Component	at end-March 2005	2006	2007	2008	2009	2010	2011
1	2	3	4	5	6	7	8
1. Short-term Debt (Original Maturity)	17,723	19,539	28,130	45,738	43,313	52,329	64,990
2. Long-term debt obligations maturing within one year	14,341	5,936	8,340	9,054	13,323	12,559	19,088*
3. Short-term debt (residual maturity) (1+2)	32,064	25,475	36,470	54,792	56,636	64,888	84,078
Per cent of GDP	*4.4*	*3.0*	*3.9*	*4.4*	*4.7*	*5.1*	4.7
Per cent to Total Debt	*23.9*	*18.3*	*21.2*	*24.4*	*25.2*	*24.9*	27.5
Per cent of foreign exchange reserves	*22.7*	*16.8*	*18.3*	*17.7*	*22.5*	*23.3*	27.6

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 (2011-12) has been calculated by aggregating projected debt service payments on debt outstanding as at 31st March 2011. 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 the prevailing market conditions. Concessionality could be reflected in terms of lower rate of interest, longer grace or repayment periods. It 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 30.7 per cent in 2005 to 15.6 per cent at end-March 2011 (**Figure 2.12 and 2.13**) In terms of absolute values, the concessional debt has been in the range of US$ 39.6 to 47.6 billion during 2005-11 (**Table 2.10**).

Figure 2.12: Concessional and Non-Conecessional Debt at end-March 2005 (Per cent of total Debt)

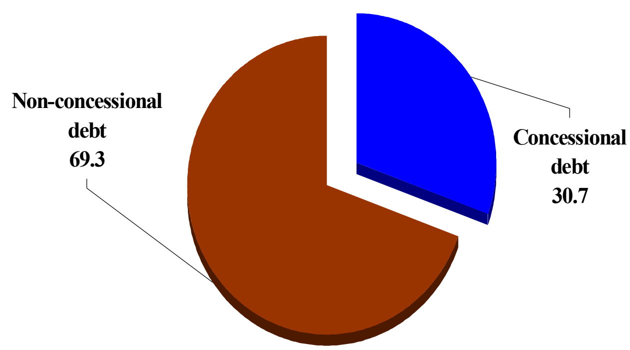


Figure 2.13: Concessional and Non-Conecessional Debt at end-March 2011 (Per cent of total debt)

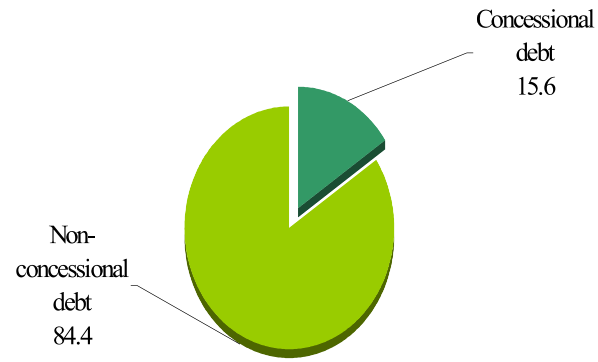


Table 2.10 : Share of Concessional Debt in Total External Debt

(US$ million)

Sl. No.	Component	at end-March						
		2005	2006	2007	2008	2009	2010 PR	2011QE
1	2	3	4	5	6	7	8	9
1	**Total external debt** (2+3)	1,34,002	1,39,114	1,72,360	2,24,407	2,24,498	2,61,036	3,05,892
2	Concessional debt	41,107	39,559	39,567	44,164	41,899	43,930	47,584
3	Non-concessional debt	92,895	99,555	1,32,793	1,80,243	1,82,599	2,17,106	2,58,308
4	**Concessional debt as share of total debt (per cent)**	**30.7**	**28.4**	**23.0**	**19.7**	**18.7**	**16.8**	**15.6**

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 stock stood at US$ 305.9 billion (17.3 per cent of GDP) at end-March 2011 recording an increase of US$ 44.9 billion (17.2 per cent) over the end March 2010 estimate of US$ 261.0 billion. The share of long-term in total debt was 78.8 per cent while the remaining 21.2 per cent was short-term. Under long-term debt, commercial borrowings had the largest share followed by NRI deposits, multilateral, bilateral and export credits.

2.8.2 The share of Government (sovereign) and non-Government debt in total external debt was 25.6 per cent and 74.4 respectively at end March 2011. US dollar-denominated debt continues to dominate with 53.5 per cent share. The element of concessionality in total external debt was 15.6 per cent at end-March 2011.

CHAPTER 3

DEBT SERVICE

3.1 Introduction

3.1.1 Debt service payments and debt service ratio play an important role in debt analysis of a country. Debt service payments comprise principal repayments and interest payments on the outstanding debt. Debt service ratio, as measured by the proportion of total debt service payments to current receipts of balance of payments, is an indicator of debt sustainability. 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 contractual obligations. A higher debt service ratio may also have adverse impact on a country's sovereign credit rating. Recording and monitoring of debt service payments are, therefore important elements of external debt management.

3.2 Debt Service Payments - Magnitude and Trends

3.2.1 Recent trends in India's external debt service payments and debt service ratio are presented in **Figures 3.1 and 3.2**. Debt service payments stood at US$ 18.6 billion in 2010-11, slightly lower than US$ 19.0 billion in 2009-10. Debt service ratio, a key indicator of debt sustainability analysis, declined from 5.5 per cent in 2009-10 to 4.2 per cent in 2010-11. The reduction in debt service ratio during 2010-11 was due to moderation in principal repayments, particularly on external commercial borrowings, together with buoyant current receipts of balance of payments due to higher exports.

Figure 3.1: Total Debt Service Payments (US$ million)

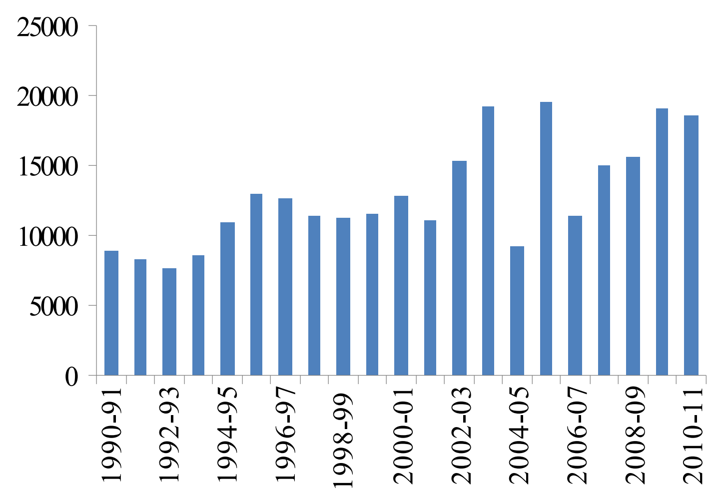
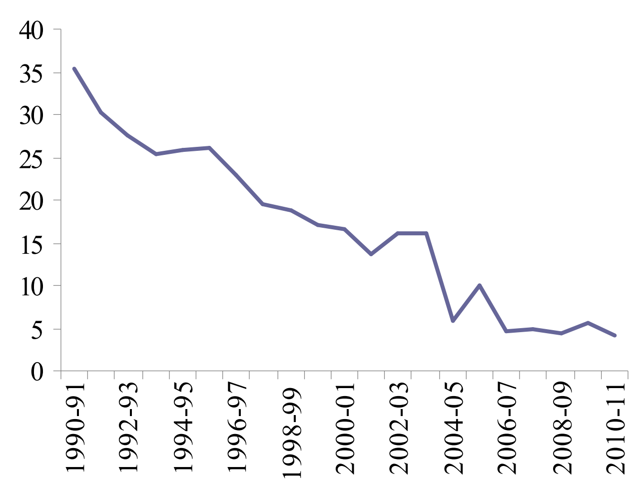


Figure 3.2: Debt Service Ratio (Per cent)



3.2.2 **Table 3.1** provides component-wise debt service payments during 2005-06 to 2010-11**.** The details of debt service payments since 2000-01 is given in **Annex XI.** During the period 2006-07 to 2009-10, India's total external debt service payments remained in the range of US$ 11.4 billion to US$ 19.0 billion, before declining to US$ 18.6 billion in 2010-11.

Table 3.1 : India's External Debt Service Payments

(US$ million)

Sl.	Components	April – March					
		2005-06	**2006-07**	**2007-08**	**2008-09**	**2009-10PR**	**2010-11QE**
1	2	3	4	5	6	7	8
1	External Assistance	2,652	2,942	3,241	3,384	3,461	3,668
	Repayments	1,945	1,960	2,099	2,375	2,585	2,840
	Interest	707	982	1,142	1,009	876	828
2	External Commercial Borrowings	14,839	6,331	9,771	10,543	13,885	13,175
	Repayments	11,824	3,814	6,119	6,578	10,641	9,650
	Interest	3,015	2,517	3,652	3,965	3,244	3,525
3	NRI Deposits	1,497	1,969	1,813	1,547	1,599	1,737
	Interest	1,497	1,969	1,813	1,547	1,599	1,737
4	Rupee Debt Service	572	162	122	101	97	69
	Repayments	572	162	122	101	97	69
5	**Total Debt Service (1 to 4)**	**19,560**	**11,404**	**14,947**	**15,575**	**19,042**	**18,649**
	Repayments	**14,341**	**5,936**	**8,340**	**9,054**	**13,323**	**12,559**
	Interest	**5,219**	**5,468**	**6,607**	**6,521**	**5,719**	**6,090**
Memo items:							
Current Receipts*		194,170	242,811	314,284	356,175	344,917	447,405
Debt Service Ratio (%)		10.1#	4.7	4.8	4.4	5.5	4.2
Interest payments /current receipts (%)		2.7	2.3	2.1	1.8	1.7	1.4

PR: Partially Revised; QE: Quick Estimates. *: Current Receipts minus officials transfers#: Works out to 6.3 per cent, when India Millennium Deposits (IMDs) repayments of US$ 7.1 billion and pre-payment of US$ 23.5 million are excluded.

3.2.3 **Figure 3.3** provides the breakup of debt service payments (principal repayments and interest) during 2005-06 to 2010-11. During 2010-11, principal repayments at US$ 12.6 billion accounted for 67.3 per cent of the total debt service, while the remaining 32.7 per cent was interest payments.

3.2.4 Component-wise, the debt service on external commercial borrowings continues to dominate with share of 70.6 per cent in total debt service payments. Other components *viz.,* debt service payments under external assistance (19.7 per cent), NRI deposits (9.3 per cent) and rupee debt service (0.4 per cent) contributed the rest **(Figure 3.4).**

Figure 3.3: Principal Repayment and Interest Payment (US$ billion)

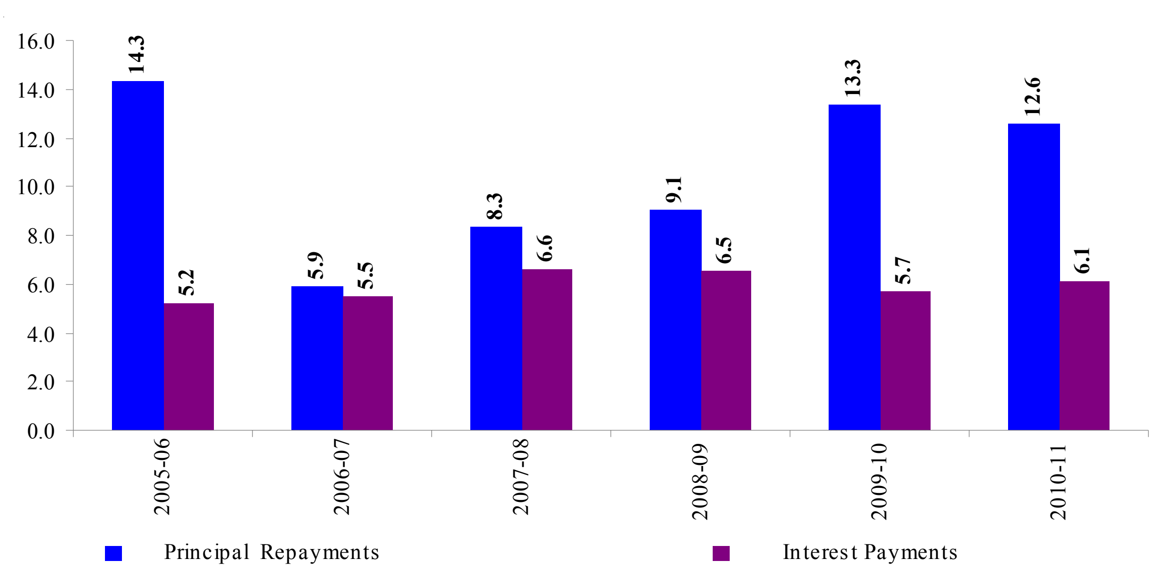
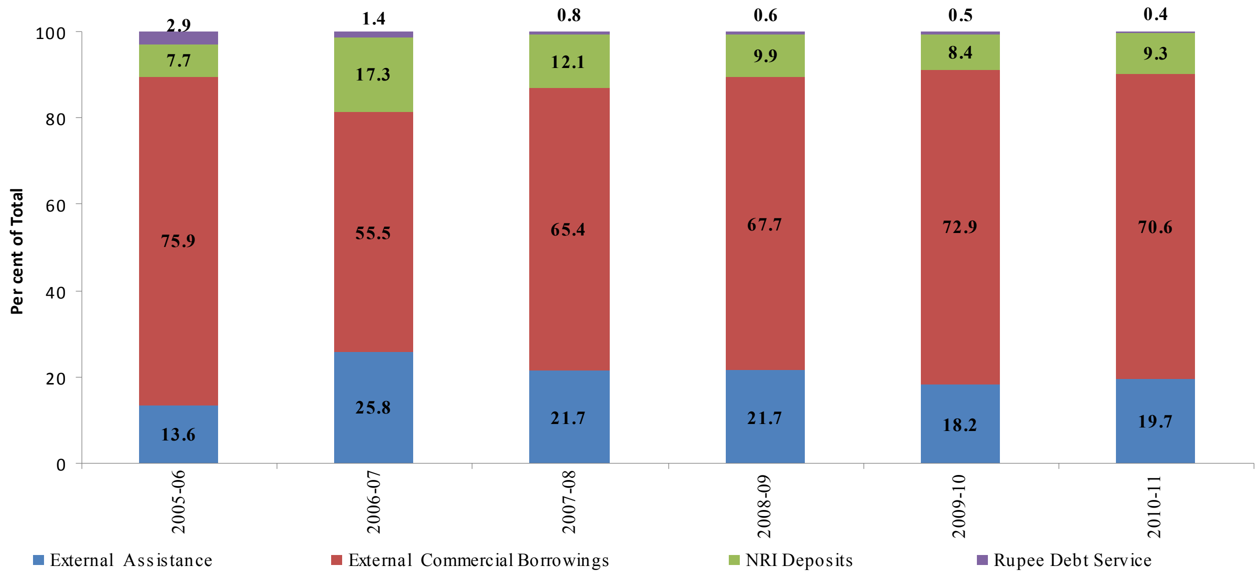


Figure 3.4: Composition of India's External Debt Service Payments



3.2.5 India's external debt service payments by creditor category are presented in **Table 3.2** and **Annex XII.**

Table 3.2 : India's External Debt Service Payments Based on Creditor Category

(US$ million)

Sl.	Creditor Category	April – March					
		2005-06	2006-07	2007-08	2008-09	2009-10 PR	2010-11QE
1	2	3	4	5	6	7	8
1	Multilateral :	1,549	1,866	2,096	2,016	2,123	2,332
	Principal	1,060	1,149	1,255	1,367	1,587	1,877
	Interest	489	717	841	649	536	455
2	Bilateral :	1,491	1,400	1,615	1,863	1,957	1,889
	Principal	1,193	986	1,098	1,276	1,380	1,387
	Interest	298	414	517	587	577	502
3	Export Credit :	1,343	1,033	1,971	1,732	1,889	2,142
	Principal	1,114	645	1,345	1,150	1,346	1,668
	Interest	229	388	626	582	543	474
4	Commercial Creditors:	13,108	4,974	7,330	8,316	11,377	10,480
	Principal	10,402	2,994	4,520	5,160	8,913	7,558
	Interest	2,706	1,980	2,810	3,156	2,464	2,922
5	NRI Deposits :	1,497	1,969	1,813	1,547	1,599	1,737
	Interest[1]	1,497	1,969	1,813	1,547	1,599	1,737
6	Rupee Debt :	572	162	122	101	97	69
	Principal	572	162	122	101	97	69
7	**Total Debt Service:**	**19,560**	**11,404**	**14,947**	**15,575**	**19,042**	**18,649**
	Principal	**14,341**	**5,936**	**8,340**	**9,054**	**13,323**	**12,559**
	Interest	**5,219**	**5,468**	**6,607**	**6,521**	**5,719**	**6,090**

PR: Partially Revised; QE: Quick Estimates.

1: Interest payments on NRI Deposits include both long and short term components. Interest payments on 'Commercial borrowings' include interest payments on short-term debt.

Notes: (i) Interest payments on different debt components are calculated on cash payment basis except Non- Resident Indian Deposits for which accrual method is used. Principal repayment under NRI deposits is not included in debt service payments, as these deposits are largely rolled over and are also locally withdrawn on maturity for rupee expenditure. Rupee debt service payments are treated as principal repayments as it is difficult to segregate the interest component.(ii) There may not be one to one correspondence between some categories in Tables 3.1 and 3.2 because of different classifications.

3.2.6 The principal repayments under short-term debt are not included in total debt service payments, which is in line with the best international practice[2]. Net disbursement (gross disbursements *minus* principal repayments) on short-term debt, however, is a useful indicator of external shocks. The experience of recent global 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 in 2009-10 and 2010-11 **(Table 3.3).**

Table 3.3: 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 PR	53,264	45,706	7,558
2010-11 QE	75,732	64,741	10,991

PR: Partially Revised; QE: Quick Estimates Source: Reserve Bank of India, Balance of Payment data

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 2010-11, the implicit interest rate on total external debt was 2.2 per cent (2.5 per cent during 2009-10). The implicit interest on NRI deposits stood at 3.6 per cent as against 3.9 per cent in 2009-10. The rate on external assistance declined marginally to 1.3 per cent from 1.5 per cent during 2009-10. The implicit interest rate on ECB witnessed marginal increase from 4.2 per cent during 2009-10 to 4.3 per cent in 2010-11 **(Table 3.4)**.

Table 3.4: Implicit Interest Rate on India's External Debt

(Per cent)

Components		April-March					
		2005-06	2006-07	2007-08	2008-09	2009-10 PR	2010-11 QE
1		2	3	4	5	6	7
Implicit Interest Rate on Total External Debt		3.9	4.0	3.9	2.9	2.5	2.2
Of which:							
1	External Assistance	1.5	2.1	2.3	1.8	1.5	1.3
2	NRI Deposits	4.6	5.4	4.4	3.5	3.9	3.6
3	External Commercial Borrowings	9.5	7.8	7.5	5.6	4.2	4.3

PR: Partially Revised; QE: Quick Estimates

[2] 'External Debt Statistics Guide for Compilers and Users, International Monetory Fund, 2003.

3.3.2 Average terms of new commitments for India from official and private creditors are presented in **Table 3.5**. As expected, the average terms are relatively favourable for official creditors v*is-à-vis* private creditors.

Table 3.5: Average terms of new commitments for India

Year	Official Creditors			Private Creditors		
	Interest (percent)	Maturity (Years)	Grace period (Years)	Interest (percent)	Maturity (Years)	Grace period (Years)
1	2	3	4	5	6	7
2005	2.9	25.2	7.2	4.6	3.5	3.5
2006	2.9	28.2	5.1	5.8	3.1	1.4
2007	3.4	24.2	6.2	6.4	10.1	3.9
2008	1.8	26.5	5.4	4.5	7.8	2.3
2009	1.1	27.8	6.5	3.6	3.4	2.5

Source: World Bank, Global Development Finance Report, 2011.

3.4 Projections of Debt Service Payments

3.4.1 Debt service projections based on long-term debt outstanding at the end of March 2011, show that the debt service payments will reach the high of US$ 23 billion (US$ 19.3 billion principal repayment and US$ 3.7 billion interest) in 2012-13 **(Table 3.6 and Figure 3.5)**. The large debt service payments during 2011-12 to 2012-13 are primarily on account of higher repayments of ECBs during this period. The repayment of NRI deposits and FII investment in debt securities are not included in the projections.

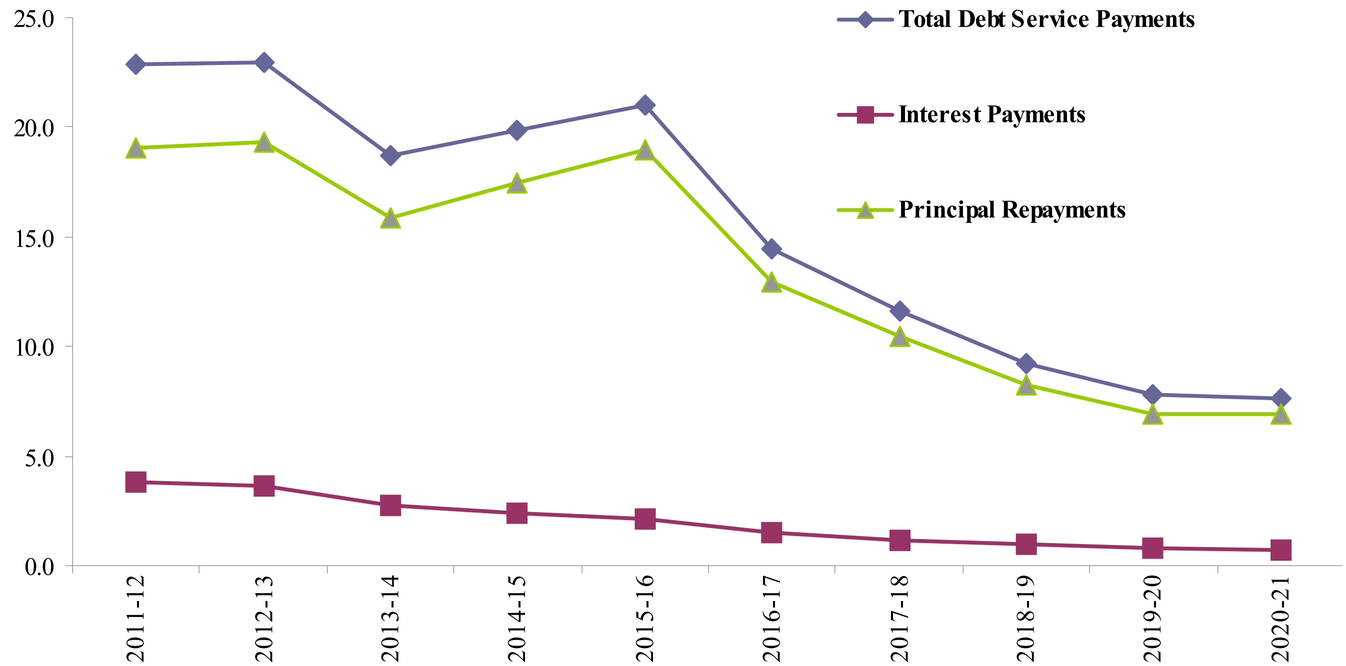
Table 3.6 : Projected Debt Service Payments

(US$ million)

Year	Principal	Interest	Total (2+3)
1	2	3	4
2011-12	19,088	3,779	22,867
2012-13	19,310	3,677	22,987
2013-14	15,883	2,790	18,673
2014-15	17,460	2,400	19,860
2015-16	18,955	2,093	21,048
2016-17	12,965	1,520	14,485
2017-18	10,435	1,167	11,602
2018-19	8,219	965	9,184
2019-20	6,940	831	7,771
2020-21	6,955	703	7,658

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

Figure 3.5: Projected Debt Service Payments
(US$ billion)



3.5 Summary

3.5.1 India's external debt service payments continue to remain within manageable limits. During the last five years, debt service ratio has remained below 5 per cent except in 2009-10. In 2010-11, debt service payments stood at US$ 18.6 billion in absolute terms and debt service ratio was at 4.2 per cent. Debt service on ECBs, with the share of 70.6 per cent, dominated the total debt service payments, followed by external assistance, NRI deposits and rupee debt.

CHAPTER 4

INTERNATIONAL COMPARISON[3]

4.1 Introduction

4.1.1 The cross-country comparison of external debt provides an assessment of India's external debt in the international perspective. The World Bank in annual publication titled 'Global Development Finance 2011' presents comparable position of external debt numbers and key indicators of developing countries[4]. 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 External debt stock of 128 developing countries stood at US$ 3,545.1 billion at end-December 2009 recording an increase of 3.5 per cent over 2008 level of US$ 3,425.4 billion. Of the total external debt, long-term accounted for 77.8 per cent, while the remaining was short-term (20.7 per cent) and the IMF credit (1.5 per cent). A quick overview of the external indebtedness of developing countries is presented in **Table 4.1** and **Box 4.1**.

Table 4.1: External Debt of Developing Countries: Key Indicators

(US$ billion)

Item	2005	2006	2007	2008	2009
1	2	3	4	5	6
External debt stock	2,488.7	2,643.3	3,180.0	3,425.4	3,545.1
Of which:					
1. Long-term external debt	1,964.8	2,067.1	2,421.9	2,672.1	2,759.2
2. Use of IMF credit	49.2	19.9	15.5	24.9	52.2
3. Short-term external debt	474.7	556.3	742.6	728.4	733.7
Memo Items:					
External debt stocks to exports (%)	74.7	65.1	64.7	58.4	74.6
External debt stocks to GNI (%)	26.4	23.6	22.9	20.6	22.1
Debt service to exports (%)	13.2	12.4	10.2	9.2	11.3
Short-term to external debt stock (%)	19.1	21.0	23.4	21.3	20.7
Reserves to external debt stock (%)	79.4	98.8	116.2	121.1	136.0
Reserves to imports (months)	7.4	8.2	9.4	8.7	12.6

Source: Global Development Finance, 2011, World Bank.

[3] International comparison is made based on the data in 'Global Development Finance 2011' of the World Bank. Therefore, data in respect of India may differ from those published by Indian authorities.

[4] The publication 'Global Developments Finance 2011' contains the external debt numbers for the year 2009 and has a time lag of two years.

Box 4.1: External Debt Indicators of Developing Countries, 2000-2009

Key Debt Indicators, 2000-2008

The key external debt indicators of developing countries witnessed significant improvement from the beginning of the decade until 2008. External debt burden measured in terms GNI and export receipts declined from 37.8 per cent and 128.4 per cent in 2000 to 20.6 per cent and 58.4 per cent respectively. The ratio of debt service to exports was reduced by more than half between 2000 and 2008, from 20.9 per cent to 9.2 percent. The improvement was particularly striking in the case of low-income countries.

Global Crisis and External Debt, 2009

The trend in improvement of debt indicators noticed during 2000 to 2008 came to an abrupt halt in 2009, reflecting the impact of global financial crisis. The crisis adversely affected the growth and export earning of many developing countries. The decline in exports coupled with increased external borrowings resulted in higher ratio of debt to exports of 74.6 per cent in 2009 - the highest since 2005 and about 30 per cent higher than the 2008 level.

The other key debt indicators such as debt service ratio increased from 9.2 per cent in 2008 to 11.3 per cent in 2009. The change in the ratio of external debt to Gross National Income (GNI) in 2009 was moderate but increased to 22.1 percent in 2009 from 20.6 per cent in 2008. The deterioration in debt indicators varied significantly from region to region. The substantial rise in debt was particularly noticeable in Europe and Central Asia. The debt to GNI ratio in this region had increased to 44.7 per cent in 2009 from 35.1 per cent in 2008.

Composition of Debt Flows, 2009

The composition of debt related flows of developing countries changed markedly in 2009, with the inflows from official creditors surpassing those from private creditors for the first time since 2002. The significant rise in debt-related inflows from official creditors (excluding grants) reflected the stepped up support to low and middle income countries due to global crisis. Medium and Long-term financing from official creditors accounted for 56 per cent of debt related flows in 2009 vis-a-vis 13 per cent in 2008.

Figure 4.1: External Debt Stock and Reserves of Developing Countries

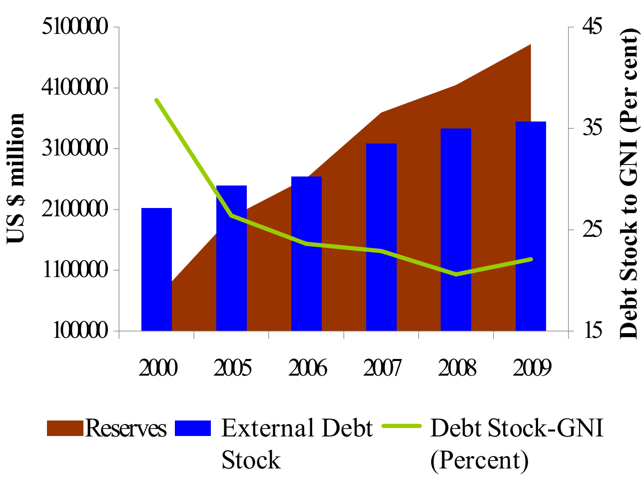
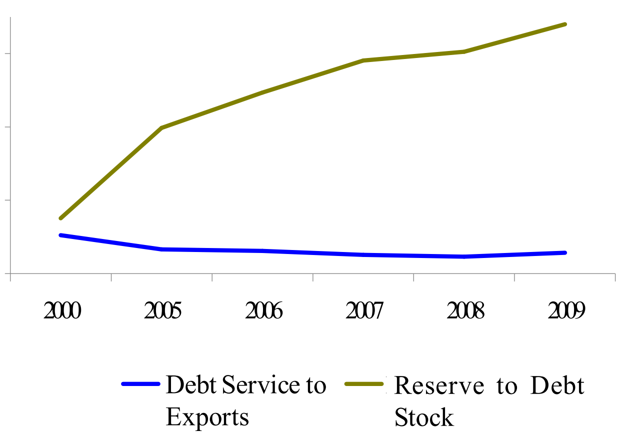


Figure 4.2: Debt Service Ratio of Developing Countries (per cent)



Source : Global Development Finance, 2011, World Bank.

4.2.2 Long-term external debt of developing countries increased by 72.1 per cent between 1990 and 2000 and by 55.3 per cent during 2000-2009. 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. However, there was marginal decline in 2009 **(Table 4.2)**.

4.2.3 Key debt sustainability indicators, such as ratio of external debt to GNI and debt service ratio in 2009 showed deterioration. The debt maturity profile showed improvement, while the ratio of short-term to total external debt declined from 21.3 per cent in 2008 to 20.7 per cent in 2009. The ratio of reserves to external debt improved from 121.1 per cent in 2008 to 136 per cent in 2009.

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

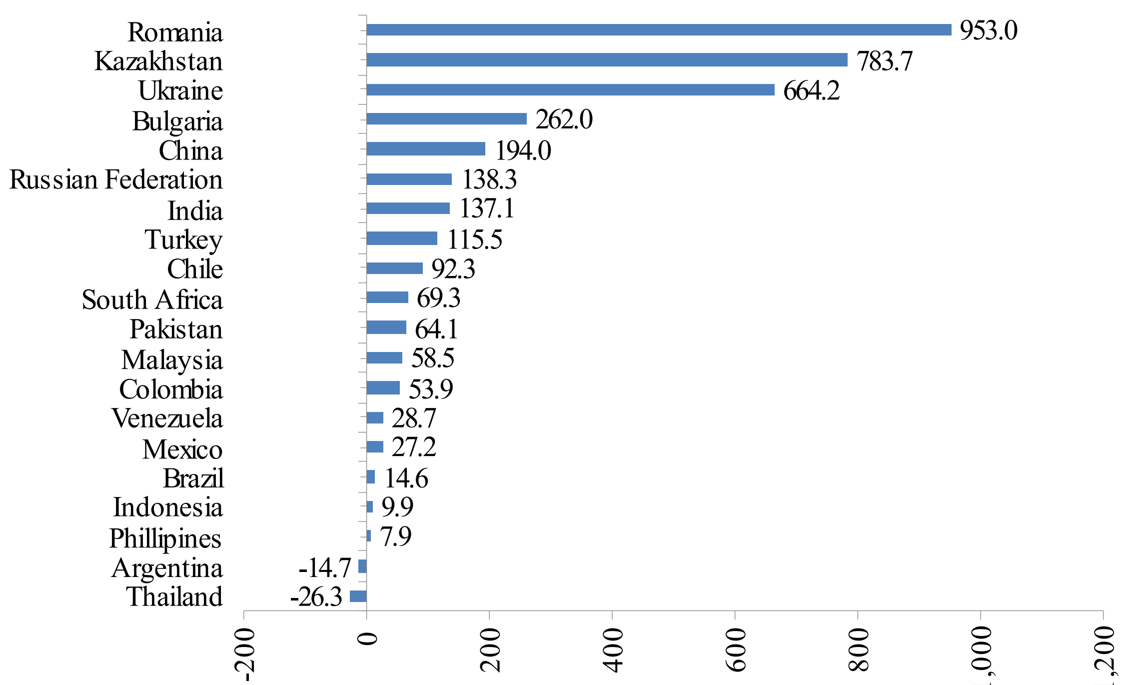
Year	Public sector	Private sector
1	2	3
2000	72.4	27.6
2005	65.3	34.7
2006	58.6	41.4
2007	54.0	46.0
2008	50.4	49.6
2009	51.0	49.0

Source: World Bank, Global Development Finance Report, 2011.

4.3 External Debt of Top Twenty Developing Debtor Countries

4.3.1 The external debt of top twenty developing debtor countries stood at US$ 2,868.8 billion, accounting for about 81 per cent of total external debt of US$ 3,545.1 billion of all 128 developing countries in 2009. 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 2009 period. The increase in external debt stock was in the range of 7.9 per cent to 953.0 per cent. A sharp rise was noticed in the external debt stock of Romania (953.0 per cent), Kazakhstan (783.7 per cent), Ukraine (664.2 per cent) and Bulgaria (262.0 per cent). China and India recorded an increase of 194 per cent and 137.1 per cent respectively, during the period 2000-2009 **(Figure 4.3).**

Figure 4.3: International Comparison of Change in External Debt Stock between 2000 and 2009 (per cent)



4.4 India's External Debt Position in International Perspective

4.4.1 India's external debt position remained at number five, after China, Russian Federation, Brazil and Turkey in terms of absolute debt stock amongst the top twenty debtor countries of the developing world in 2009. In terms of external debt stock to GNI ratios, which shows the magnitude of external debt in relation to national income, India's position was the *fifth* lowest with China having the lowest ratio of 8.7 per cent in 2009 **(Table 4.3).**

4.4.2. In terms of other key indicators such as the cover provided by foreign exchange reserves to country's external debt, India's position was the *fourth* highest at 119.8 per cent after China, Thailand and Malaysia. The cover of reserves for external debt across the countries remained in the ranges of 21.1 per cent (Kazakhstan) to 572.5 per cent (China) in 2009. The ratio of short-term to total debt among the top twenty developing debtor countries ranged between 2.7 per cent (Pakistan) to 56.1 per cent (China) **(Figure 4.4).** India's position at 18.1 per cent was the *twelfth* lowest. These estimates may not however be entirely comparable due to differences in coverage etc.

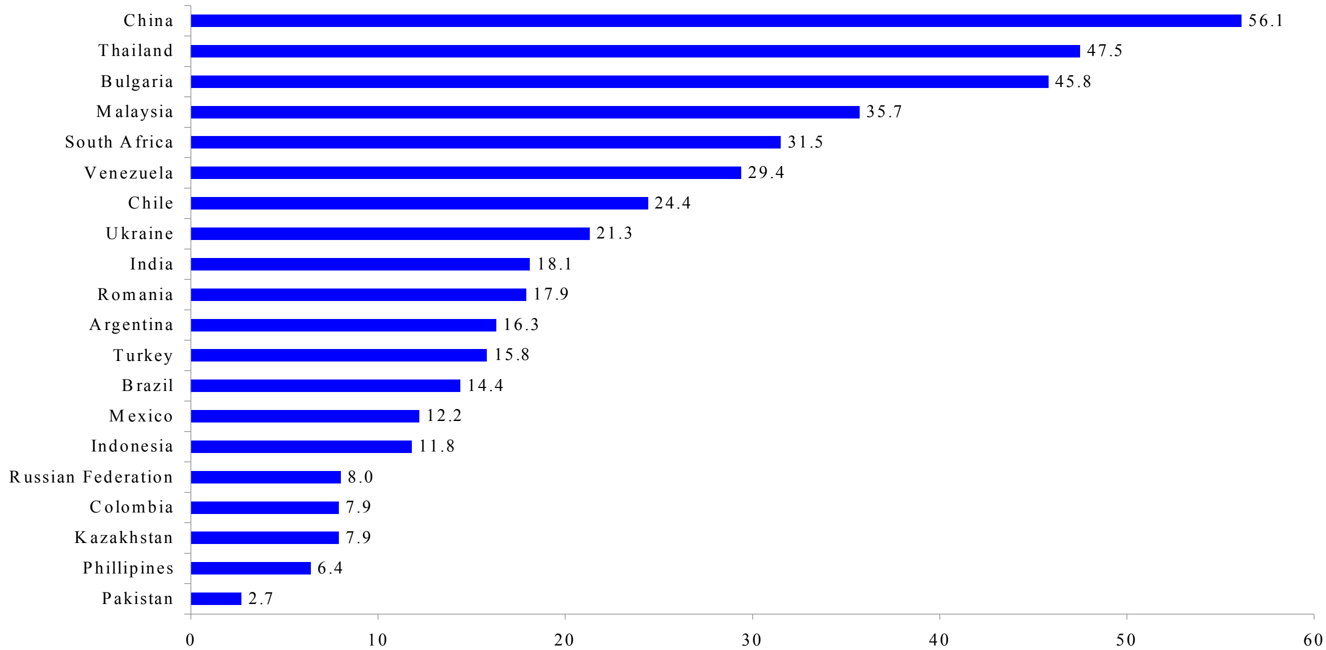
Table 4.3:International Comparison of Top Twenty Developing Debtor Countries, 2009

	Countries	Total external debt stocks	Short-term Debt	Total debt to Gross National Income	Debt Service Ratio	Foreign Exchange Reserve to Total Debt
		(US$ million)		(Per cent)		
1	2	3	4	5	6	7
1	China	428,442	240,509	8.7	2.9	572.5
2	Russian Federation	381,339	30,624	31.9	17.7	115.2
3	Brazil	276,932	39,789	17.9	23.4	86.1
4	Turkey	251,372	39,725	41.2	41.6	29.8
5	**India**	**237,692**	**42,950**	**18.2**	**5.9**	**119.8**
6	Mexico	192,008	23,335	22.3	16	52
7	Indonesia	157,517	18,662	30.2	18.4	42
8	Argentina	120,183	19,537	40.1	17.3	39.9
9	Romania	117,511	21,032	71.6	31.4	39
10	Kazakhstan	109,873	8,676	113	80.2	21.1
11	Ukraine	93,153	19,873	83.8	36.2	28.4
12	Chile	71,646	17,476	46.7	22.6	35.3
13	Malaysia	66,390	23,695	35.8	5.2	145.7
14	Philippines	62,911	4,002	39.2	18.5	70.3
15	Thailand	58,755	27,881	23.3	6.8	235.6
16	Venezuela	54,503	16,009	16.7	6.4	63
17	Pakistan	53,710	1,466	31.3	15	25.3
18	Colombia	52,223	4,110	23.6	22.4	47.8
19	South Africa	42,101	13,274	15.1	9.3	94.1
20	Bulgaria	40,582	18,578	90.4	21.3	45.6

Note: Countries are arranged based on the magnitude of debt presented in column no.3 in the Table.

Source: World Bank, Global Development Finance, 2011.

Figure 4.4: International Comparison of Short-Term to Total External Debt 2009 (per cent)



4.4.3 Present Value (PV) concept is considered a useful measure of indebtedness. The PV of external debt 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, published by the Organization for Economic Cooperation and Development (OECD). The PV of India's external debt worked out to US$ 212.3 billion in 2009, with the ratios of PV of external debt to Gross National Income and export of goods and services at 17 per cent and 71 per cent respectively **(Table 4.4).**

Table 4.4: Present Value based Indicators of Top Twenty Developing Debtor Countries, 2009

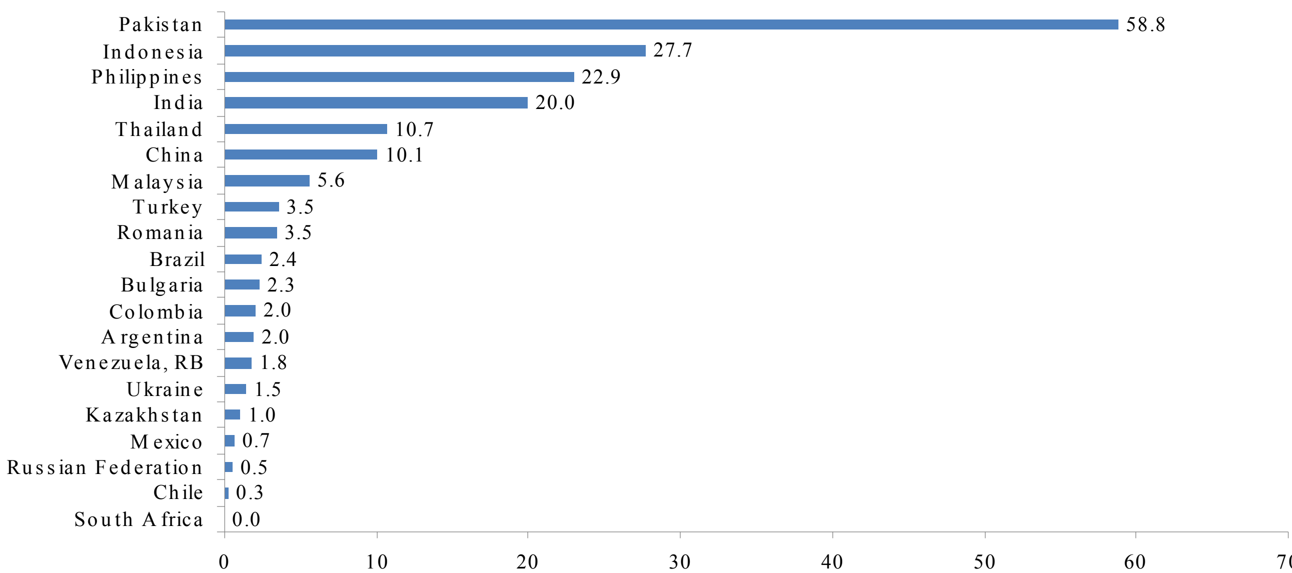
Sl. No.	Countries	Total Debt Stock 2009	PV of debt 2009	Ratio of PV of debt to Gross National Income	Ratio of PV of debt to export of Goods and Services
		(US$ million)		(Per cent)	
1	2	3	4	5	6
1	China	428,442	404,026	9	25
2	Russian Federation	381,339	348,913	26	74
3	Brazil	276,932	260,697	17	125
4	Turkey	251,372	231,439	35	144
5	India	237,692	212,262	17	71
6	Mexico	192,008	176,766	18	61
7	Indonesia	157,517	140,615	30	99
8	Argentina	120,183	119,952	41	156
9	Romania	117,511	94,557	53	166
10	Kazakhstan	109,873	97,124	96	157
11	Ukraine	93,153	89,029	62	123
12	Chile	71,646	65,749	43	84
13	Malaysia	66,390	60,881	31	27
14	Philippines	62,911	54,814	35	90
15	Thailand	58,755	54,554	22	28

	Country	Total Debt Stock 2009	PV of debt 2009	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
16	Venezuela	54,503	54,906	19	66
17	Pakistan	53,710	38,732	24	157
18	Colombia	52,223	44,370	20	111
19	South Africa	42,101	42,043	35	44
20	Bulgaria	40,582	36,959	85	132

Source: World Bank, Global Development Finance, 2011.

4.4.4 The share of concessional credit in total external debt in vast majority of countries was below 5 per cent **(Figure 4.5)**. India's share of concessional credit in total external debt was the *fourth* highest (20.0 per cent), after Pakistan (58.8 per cent), Indonesia (27.7 per cent) and Philippines (22.9 per cent).

Figure 4.5: International Comparison-Share of Concessional in Total External Debt, 2009 (per cent)



4.4.5 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 2011, India ranked at the fourth position after Russian Federation, Brazil and Poland among developing debtor countries[5]. The external debt position at the end of the first quarter of the calendar year 2011 of select developing debtor countries sourced from QEDS database of the World Bank (http://go.worldbank.org/GWMYALHYQ0) is given at **Annex XIV**.

4.5 Summary

4.4.1 India's external debt indicators compare well with those of other debtor countries of the developing world. In terms of total external debt stock, India's position was fifth among the top twenty developing debtor countries in 2009. All the key debt indicators, especially debt to GNP 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. Further, the element of concessionality in India's external debt portfolio continues to be relatively high as compared to many other countries.

[5] China's external debt data at end-March 2011 is not available in the QEDS database. In the past years, China's debt was higher than that of India.

CHAPTER 5

SOVEREIGN EXTERNAL DEBT

5.1 Introduction

5.1.1 Sovereign external debt refers to foreign debt contracted by the Government of India. 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. Article 293 of the Indian Constitution mandates that State Governments can borrow *only* from internal sources. On the recommendations of the 12th Finance Commission, the Government of India decided to pass on external assistance from bilateral and multilateral sources to State Governments on a 'back-to-back' basis with effect from April 1, 2005 (except for special-category States).

5.1.2 In pursuance of a prudent external debt management policy, the Government of India has been borrowing *only* from the multilateral and bilateral sources. Other debt liabilities of the Government include defence debt, investments by Foreign Institutional Investors (FIIs) and other central banks in treasury bills and government securities, IMF SDR allocations and Rupee Debt owed to Russia. The share of sovereign debt in total external debt has *declined* over the years, mainly because of the increasing role of the private sector in the economy. This Chapter provides an overview of the magnitude and composition of sovereign external debt, explicit contingent liabilities of the Government, sovereign debt service payments and projected debt service payments up to the year 2020-21.

5.2 Composition of Sovereign External Debt

5.2.1 During end-March 2010 and end-March 2011, sovereign external debt (SED) increased from US$ 67.1 billion to US$ 78.2 billion (16.5 per cent). **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'; which comprises Rupee debt, defence debt, IMF SDR allocations 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 2006 to 2011. Amongst bilateral creditors, the Government owed US$ 14.7 billion to Japan, followed by Germany (US$ 2.7 billion), Russian Federation (US$ 1.7 billion), France (US$ 0.392 billion) and the United States (US$ 0.333 billion) at end-March 2011.

Table 5.1: India's Sovereign External Debt

(US$ million)

Sl. No.	Category	at end-March					
		2006	2007	2008	2009	2010PR	2011QE
1	2	3	4	5	6	7	8
I.	External Debt on Govt. Account under External Assistance (A+B)	43,510	46,155	52,541	51,816	55,235	62,388
A	**Multilateral (1 to 5)**	**29,997**	**32,515**	**36,171**	**35,724**	**37,825**	**42,578**
	Multilateral Credit as percent of Govt. Account debt	*68.9*	*70.4*	*68.8*	*68.9*	*68.5*	*68.2*
1.	IDA	23,418	24,548	26,496	24,758	25,380	26,637
2.	IBRD	4,400	5,015	5,662	5,878	6,397	8,774
3.	ADB	1,866	2,623	3,650	4,766	5,717	6,813
4.	IFAD	267	280	312	282	288	312
5.	Others	46	49	51	40	43	42

(US$ million)

Sl. No.	Category	at end-March					
		2006	**2007**	**2008**	**2009**	**2010PR**	**2011QE**
1	2	3	4	5	6	7	8
B	**Bilateral (6 to 12)** [a]	**13,513**	**13,640**	**16,370**	**16,092**	**17,410**	**19,810**
	Bilateral Credit as percent of Govt. Account debt	*31.1*	*29.6*	*31.2*	*31.1*	*31.5*	*31.8*
6.	Japan	8,944	8,720	10,806	11,110	12,444	14,744
7.	Germany	2,285	2,445	2,849	2,451	2,458	2,662
8.	United States	688	589	512	435	380	333
9.	France	554	560	612	472	421	392
11	. Russian Federation	1,037	1,321	1,585	1,619	1,702	1,674
12.	Others	5	5	6	5	5	5
II.	**Total Other Govt. External Debt (C+D)**	**2,749**	**3,205**	**5,529**	**4,054**	**11,832**	**15,777**
C.	**Other Govt. External Debt (Long term)**	2,609	2,879	4,914	3,115	10,314	12,935
D.	**Other Govt. External Debt (Short-term)**	140	326	615	939	1,518	2,842
III.	**Total Sovereign External Debt (I+II)**	**46,259**	**49,360**	**58,070**	**55,870**	**67,067**	**78,165**

a: Includes rupee debt (civilian).

PR: Partially Revised; QE: Quick Estimates.

5.2.3 **Figures 5.1 and 5.2** represent the information contained in column 8 of **Table 5.1** on the country -wise break-up of bilateral debt and institution-wise break-up of multilateral debt. **Figure 5.2** shows that Japan dominates as the single largest bilateral creditor (74.4 per cent), followed by Germany (13.4 per cent) and the Russian Federation (8.5 per cent) at end-March 2011. Institution-wise **(Figure 5.1),** the International Development Association (IDA) accounts for the bulk (62.6 per cent) of multilateral sovereign debt, followed by the International Bank for Reconstruction and Development (IBRD, 20.6 per cent), the Asian Development Bank (ADB, 16.0 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).

Figure 5.1: Composition of Sovereign Multinateral Debt at end-March 2011 (per cent)

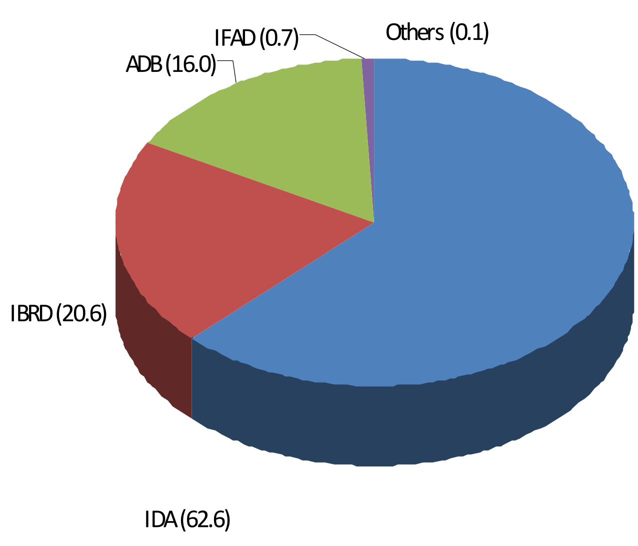


Figure 5.2: Composition of Sovereign Bilateral Debt at end-March 2011 (per cent)

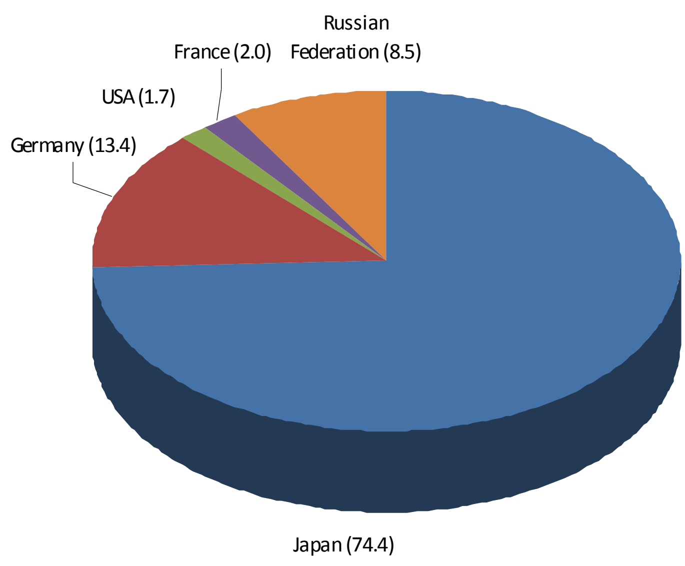


Figure 5.3: Changing Composition of Soverign Multilateral Debt (per cent)

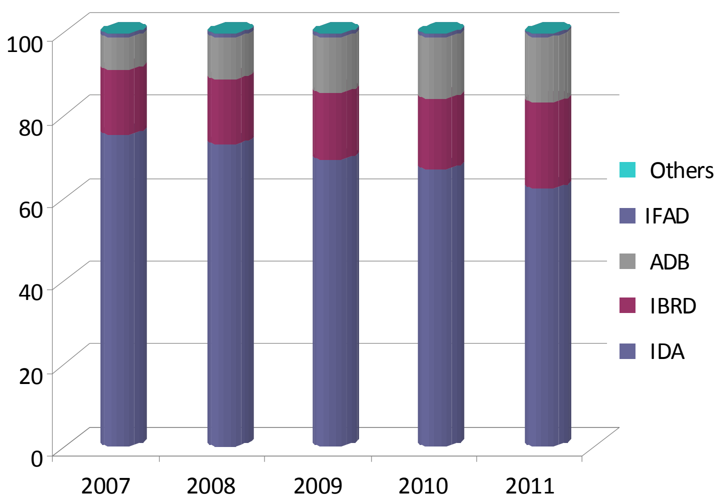
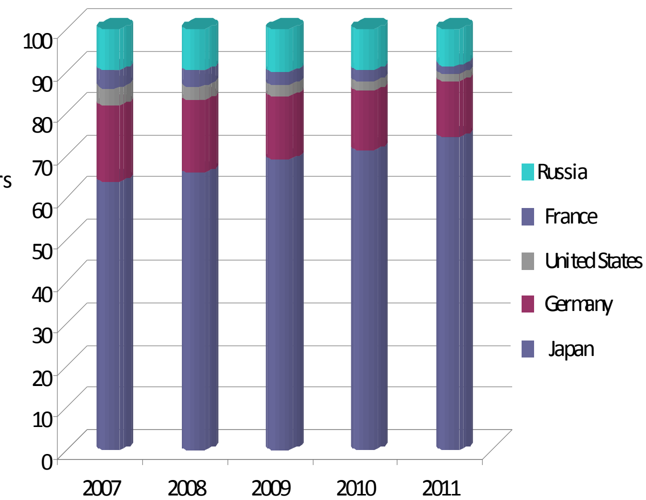


Figure 5.4: Changing Composition of Sovereign Bilateral Debt (per cent)



As **Figure 5.3** depicts, the share of IDA in total bilateral sovereign debt has decreased from around 75 percent in 2007 to 63 percent at end-March 2011, while that of IBRD has increased from 15 percent to around 21 percent over the same period. However, the share of ADB has *doubled* from 8 percent in 2007 to 16 percent at end-March 2011. **Figure 5.4** shows that the share of Japan has increased from around 64 per cent in 2007 to over 74 per cent at end-March 2011, while that of Russia and USA have decreased.

5.3 Currency Composition

5.3.1 In contrast to the currency composition of the *total* external debt, which is dominated by the US dollar, currency composition of sovereign external debt is dominated by the SDR. The share of SDR was 38.1 per cent, (**Table 5.2)** followed by the US dollar (26.8 per cent), Japanese yen (18.8 per cent), Indian rupee (12.4 per cent) and the Euro (3.9 per cent) at end-March 2011.

Table 5.2: Currency Composition of Sovereign External Debt

(per cent)

Sl. No.	Currency	at end-March				
		2007	2008	2009	2010PR	2011QE
1	2	3	4	5	6	7
1	SDR	43.3	40.7	39.5	41.7	38.1
2	US Dollar	27.9	26.6	29.6	26.5	26.8
3	Japanese Yen	17.7	18.6	19.9	18.6	18.8
4	Indian Rupee	4.9	8.0	5.7	8.9	12.4
5	Euro	6.1	6.0	5.2	4.3	3.9
6	Pound Sterling	0.1	0.1	0.1	0.0	0.0
	Total (1 to 6)	**100**	**100**	**100**	**100**	**100**

PR: Partially revised; QE: Quick Estimates.

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

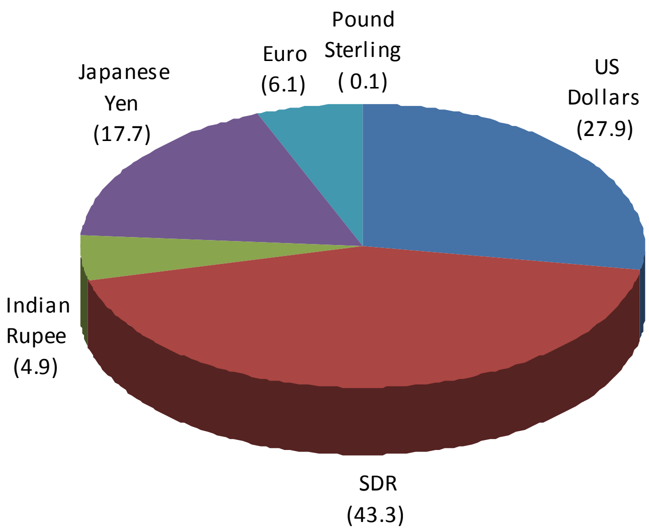
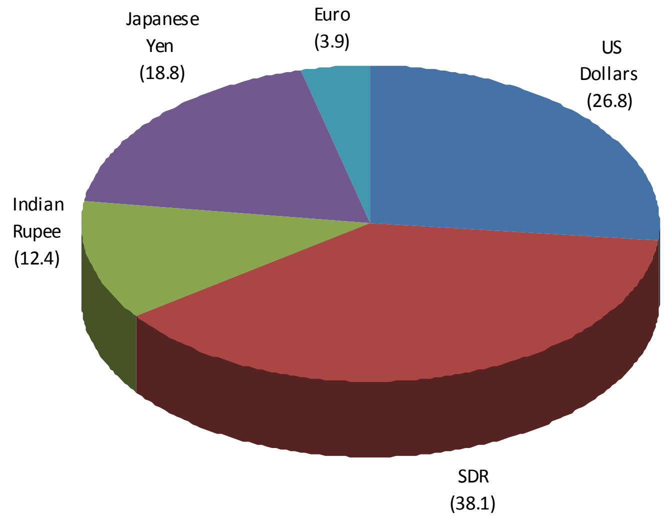


Figure 5.6: Currency Composition of India's Sovereign External Debt at March 2011 (per cent)



Comparison of **Figures 5.5 and 5.6** indicates that the share of 'Rupee Denominated' debt has risen substantially over the period 2007-2011. The rise is significant in 2010-11 due to an increase in FII investment in Government Treasury-bills, following an increase in the annual ceiling of such investments to US$ 10 billion from US$ 5 billion in 2010.

5.4 Debt Service

5.4.1 Sovereign external debt service payments that were around US$ 2.8 billion during 2006-07 to 2008-09, stood at US$ 3.5 billion at end-March 2011 **(Table 5.3)**. Debt service payments had increased sharply following pre-payments of high cost Government loans to the tune of US$ 2.9 billion in 2002-03 and US$ 3.8 billion in 2003-04 **(Annex XVIII)** .

Table 5.3 : Sovereign External Debt Service Payments

(US$ million)

		(April - March)						
Sl. No.	**Debt Service**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10 PR**	**2010-11 QE**
1	2	3	4	5	6	7	8	9
I.	**Debt Service Payments under Government Account (A+B)**	2,262	2,272	2,722	2,696	2,719	3,273	3,530
A	**Multilateral (i + ii)**	1,044	1,192	1,543	1,738	1,625	1,818	2,137
	i. Principal	737	790	959	1066	1110	1386	1724
	ii. Interest[a]	307	402	584	672	515	432	413
B	**Bilateral (iii +iv)**	1,218	1,080	1,179	958	1,094	1,455	1,393
	iii. Principal	884	776	868	713	793	1084	1023
	iv. Interest	334	304	311	245	301	371	370
II.	**Other Government Debt Service Payments** (v + vi)	417	572	162	121	101	97	69
	v. Principal	417	572	162	121	101	97	69
	vi. Interest	0	0	0	0	0	0	0
III.	**Total Government External Debt Service Payments (I+II)**	2,679	2,844	2,884	2,817	2,820	3,370	3,599

Sl.	Debt Service	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8	9
	vii. Total Principal (i+ iii + v)	2,038	2,138	1,989	1,900	2,004	2,567	2,816
	viii. Total Interest (ii + iv + vi)	641	706	895	917	816	803	783

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 associated service charges are treated as interest payments.

5.5 Explicit Contingent Liability

5.5.1 *Explicit* Contingent liabilities refer to obligations that may arise 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 its implications for macroeconomic and financial stability.

5.5.2 In accordance with the 'Fiscal Responsibility and Budget Management Rules', there is a overall cap of 0.5 per cent of GDP in any financial year on the quantum of guarantees that the Central Government can assume in a financial year. The Central Government extends guarantees primarily on loans from multilateral/bilateral agencies to various public sector undertakings/public sector financial institutions. Government guaranteed external debt has remained relatively low, in the range of US$ 6.1-8.6 billion during 2006 to 2011 **(Table 5.4)**.

Table 5.4 : Central Government Guarantees on External Debt

(US $ million)

Sl. No.	Component	2006	2007	2008	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8
1	Govt. Debt	46,259	49,360	58,070	55,870	67,067	78,165
2	Non-Govt. Debt	92,855	123,000	166,337	168,628	193,969	227,727
3	*of which* with Govt. Guarantee*: (a+b+c)	6,096	6,107	6,563	6,807	7,786	8,551
	a. Financial Sector	1,465	1,446	1,422	1,800	2,276	2,746
	b. Public Sector	4,506	4,557	5,040	4,926	5,450	5,763
	c. Private Sector	125	104	101	81	60	42
4	Total External Debt (1+2)	139,114	172,360	224,407	224,498	261,036	305,892
5	Govt. Debt and Guaranteed Debt (1+3)	52,355	55,467	64,633	62,677	74,853	86,716
6	**% of Govt. Debt and Guaranteed Debt to total External Debt**	**37.6**	**32.2**	**28.8**	**27.9**	**28.7**	**28.3**
7.	**% of Govt. Guaranteed Debt to Total External Debt**	**4.4**	**3.5**	**2.9**	**3.0**	**3.0**	**2.8**
8	**% of Govt. Guaranteed Non-Govt. Debt to total Non-Govt. Debt**	**6.6**	**5.0**	**3.9**	**4.0**	**4.0**	**3.8**

PR: Partially Revised; QE: Quick Estimates.

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

Figure 5.7: Govt. Debt and Govt. Guaranteed Debt to Total External Debt (per cent)

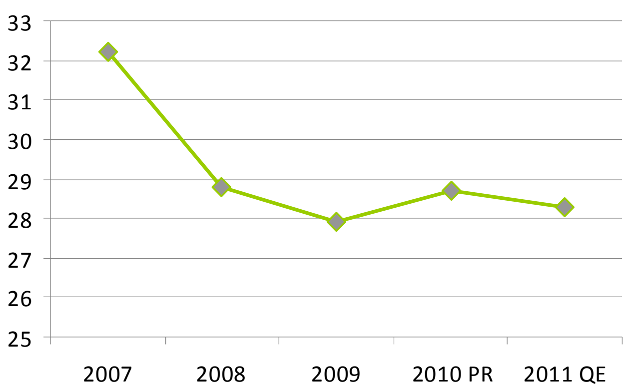
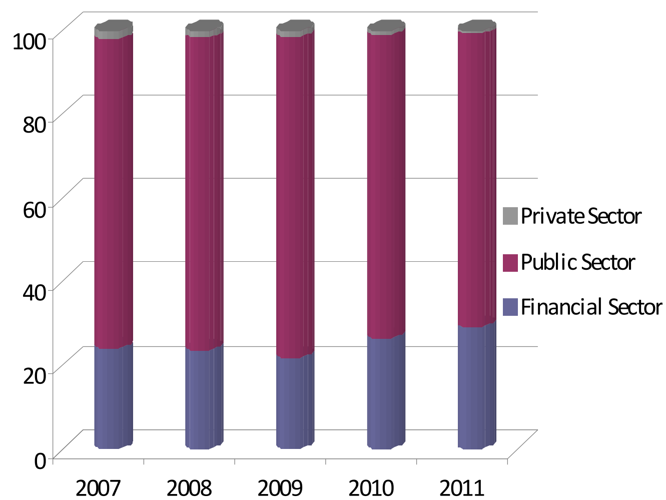


Figure 5.8: Sectoral Shares of Non-Government Guaranteed Debt



As **Figure 5.7** depicts, the share of Government and Government guaranteed debt in total external debt is declining. Within the category of non-Government debt *that is guaranteed by the Government* **(Figure 5.8),** the share of the non-financial public sector has marginally declined from around 74 percent of total non-Government guaranteed debt in 2007 to 70 percent at end-March 2011. The share of the financial sector (that represents borrowings by the banks and financial institutions) has registered a rise from around 24 percent of total non-Government guaranteed debt in 2007 to over 29 percent at end-March 2011.

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 2011, are estimated to rise gradually from US$ 3.4 billion in 2011-12 to US$ 4.6 billion in 2020-21 **(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	2011 -2012	2012 -2013	2013 -2014	2014 -2015	2015 -2016	2016 -2017	2017 -2018	2018 -2019	2019 -2020	2020 -2021
I	**Multilateral**	2,078	2,254	2,404	2,567	2,730	2,728	2,921	2,962	2,976	2,978
a)	Principal	1,775	1,947	2,096	2,256	2,419	2,419	2,632	2,687	2,717	2,735
b)	Interest	303	307	308	311	311	309	289	275	259	243
II	**Bilateral**	1,375	1,453	1,490	1,487	1,666	1,640	1,663	1,704	1,712	1,652
c)	Principal	966	1033	1070	1073	1268	1265	1315	1384	1421	1389
d)	Interest	409	420	420	414	398	375	348	320	291	263
e)	**Total Principal** (a+ c)	2,741	2,980	3,166	3,329	3,687	3,684	3,947	4,071	4,139	4,124
f)	**Total Interest** (b+d)	712	727	728	725	709	684	637	595	549	506
III	**Total debt service payments**(I+II)	3,453	3,707	3,894	4,054	4,396	4,368	4,584	4,666	4,688	4,630

Note: The projections are based on debt outstanding as at end-March 2011 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.

5.6.2 **Figures 5.9** and **5.10** show the institution wise break-up of debt service projections. Out of the multilateral debt outstanding, the share of the IDA is high and debt service commitments are expected to be the highest over the next ten years. Similar commitments to the IBRD and the ADB are expected to plateau from 2016-17 onwards (**Figure 5.9**). On the bilateral front, the debt service payments to Japan (the single largest creditor) is expected to rise over the next ten years with commitments to other countries expected to decline from 2016-17 onwards (**Figure 5.10**). This does not include debt service arising out of Committed Undisbursed Balance (CUB) and fresh borrowings.

Figure 5.9: Projections of External Debt Service Payments to Multilateral Creditors (US$ million)

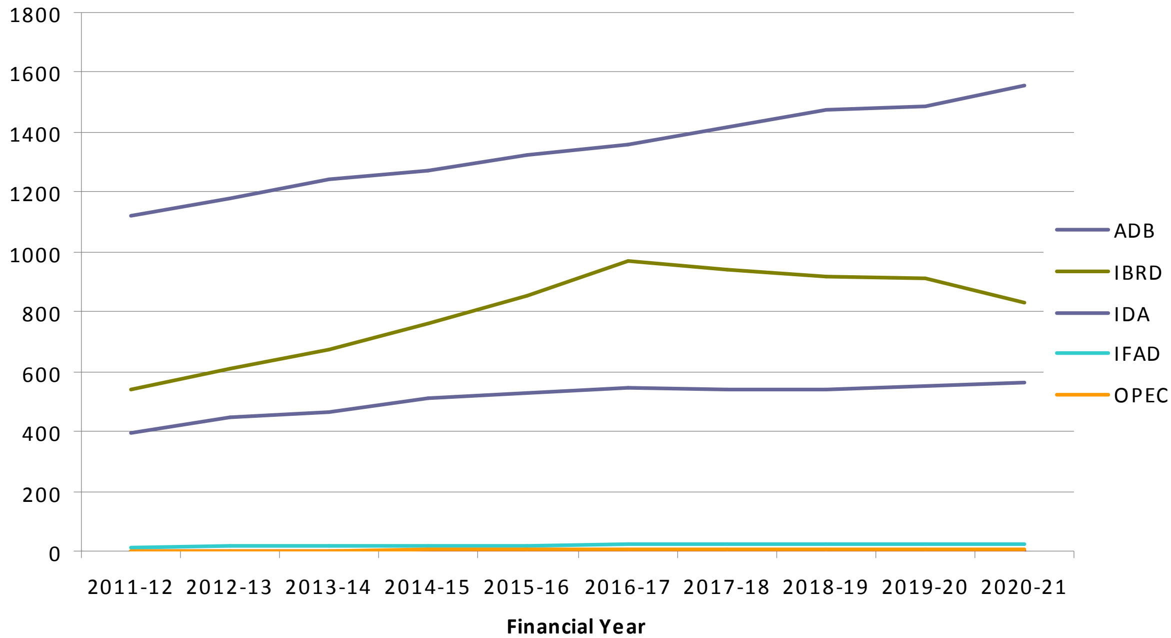
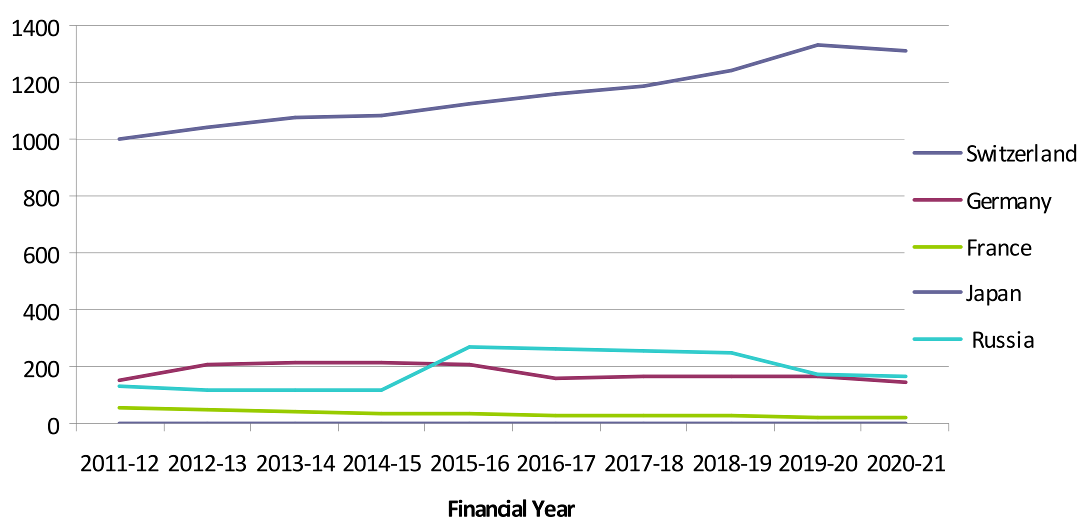


Figure 5.10: Projections of External Debt Service Payments to Bilateral Creditors (US$ million)



5.7 Summary

5.7.1 Multilateral sources dominate sovereign external debt in India, while Japan continues to be the single largest bilateral creditor. A substantial portion of sovereign external debt is denominated in SDRs mainly on account of highly concessional borrowings from the IDA, as well as inclusion of 'IMF Credits' as the country's external debt liabilities since 2004-05. Rupee denominated sovereign debt has increased in 2010-11, following an increase in the FII investment ceiling in Government Treasury–bills. Government guaranteed external debt remains low, while debt service projections over the 2011-2020 period reveal that debt service payments to the IDA and Japan would increase over the period.

Annex I

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 Rupee. 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 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	16.0a	72.5	20.3	36.8	6.1	4.5
2003-04	112,653	16.1b	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	10.1d	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	20.5	18.7	17.2	19.3
2009-10 PR	261,036	5.5	106.9	18.0	16.8	18.8	20.0
2010-11QE	305,892	4.2	99.6	17.3	15.6	21.3	21.2

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 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	**MULTILATERAL**	145,105	155,633	142,683	131,105	138,897	145,503	154,053	157,901	201,425	193,442	216,628
	A. Government Borrowing	127,886	138,023	129,727	120,073	127,782	133,800	141,746	144,627	181,997	170,722	190,325
	(i) Concessional	89,008	96,177	102,559	101,490	105,114	105,852	108,448	107,395	127,771	116,046	120,651
	a) IDA	87,753	94,848	101,122	100,065	103,671	104,457	107,019	105,947	126,127	114,552	119,066
	b) Others	1,255	1,329	1,437	1,425	1,443	1,395	1,429	1,448	1,644	1,494	1,585
	ii) Non-concessional	38,878	41,846	27,168	18,583	22,668	27,948	33,298	37,232	54,226	54,676	69,674
	a) IBRD	26,376	28,012	19,069	14,074	16,500	19,626	21,864	22,631	29,948	28,874	39,219
	b) Others	12,502	13,834	8,099	4,509	6,168	8,322	11,434	14,601	24,278	25,802	30,455
	B. Non-Government Borrowing	17,219	17,610	12,956	11,032	11,115	11,703	12,307	13,274	19,428	22,720	26,303
	(i) Concessional	0	0	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	17,219	17,610	12,956	11,032	11,115	11,703	12,307	13,274	19,428	22,720	26,303
	a) Public Sector	12,386	12,729	9,255	7,916	8,000	8,510	9,315	10,352	14,298	14,919	15,802
	i) IBRD	7,114	7,298	4,378	4,402	4,462	4,594	4,550	4,690	7,105	8,544	9,193
	ii) Others	5,272	5,431	4,877	3,514	3,538	3,916	4,765	5,662	7,193	6,375	6,609
	b) Financial Institutions	3,368	3,736	3,177	2,902	2,789	2,628	2,414	2,350	3,721	5,385	7,508
	i) IBRD	1,017	1,049	525	381	252	630	655	593	744	1,343	1,899
	ii) Others	2,351	2,687	2,652	2,521	2,537	1,998	1,759	1,757	2,977	4,042	5,609
	c) Private Sector	1,465	1,145	524	214	326	565	578	572	1,409	2,416	2,993
	i) IBRD	1,148	929	298	0	0	0	0	0	0	0	0
	ii) Others	317	216	226	214	326	565	578	572	1,409	2,416	2,993
II.	**BILATERAL**	74,519	74,762	79,921	77,084	74,530	70,302	70,034	78,802	104,997	101,975	115,983
	A.Government borrowing	56,802	56,302	60,243	58,121	57,458	54,593	53,810	59,391	74,662	71,584	80,794
	(i) Concessional	55,504	55,418	59,688	57,742	57,207	54,468	53,810	59,391	74,662	71,584	80,794
	ii) Non-concessional	1,298	884	555	379	251	125	0	0	0	0	0
	B.Non-Government borrowing	17,717	18,460	19,678	18,963	17,072	15,709	16,224	19,411	30,335	30,391	35,189
	(i) Concessional	5,579	6,885	8,013	8,876	7,471	6,949	1,727	1,737	3,262	3,169	4,101
	a) Public Sector	2,962	4,278	5,152	5,759	5,653	5,285	1,241	1,226	1,156	1,121	1,621
	b) Financial Institutions	2,617	2,607	2,861	3,117	1,818	1,664	486	511	2,106	2,048	2,480
	c) Private Sector	0	0	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	12,138	11,575	11,665	10,087	9,601	8,760	14,497	17,674	27,073	27,222	31,088
	a) Public Sector	3,715	4,822	5,116	4,851	4,353	3,628	7,420	10,097	15,076	13,868	13,943
	b) Financial Institutions	3,568	3,708	3,571	3,119	2,847	2,386	3,828	3,735	4,311	3,435	3,777
	c) Private Sector	4,855	3,045	2,978	2,117	2,401	2,746	3,249	3,842	7,686	9,919	13,368

Contd...

S.No.	Components of External Debt	End - March 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE (₹ crore)
1	2	3	4	5	6	7	8	9	10	11	12	13
III.	**IMF**[a]	0	0	0	4,381	4,503	4,378	4,484	4,479	5,188	27,264	28,163
IV.	**EXPORT CREDIT**	27,625	26,110	23,750	20,553	21,976	24,175	31,237	41,296	73,772	76,128	83,167
a)	Buyers' credit	17,336	16,147	13,421	11,061	13,040	16,088	23,617	33,134	64,046	66,965	73,327
b)	Suppliers' credit	5,401	5,144	5,139	4,471	3,961	3,351	2,941	2,998	3,234	2,938	2,814
c)	Export credit component of bilateral credit	4,828	4,819	5,190	5,021	4,975	4,736	4,679	5,164	6,492	6,225	7,026
d)	Export credit for defence purchases	60	0	0	0	0	0	0	0	0	0	0
V.	**COMMERCIAL BORROWINGS**	113,839	113,908	106,843	95,611	115,533	117,991	180,669	249,243	318,209	319,556	394,070
a)	Commercial bank loans [b]	46,169	48,683	46,929	50,346	62,896	73,508	107,145	160,577	219,925	202,618	259,095
b)	Securitized borrowings [c]	64,769	62,714	57,495	41,567	48,992	41,112	68,020	82,641	91,286	113,245	131,708
c)	Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	2,901	2,511	2,419	3,698	3,645	3,371	5,504	6,025	6,998	3,693	3,267
d)	Self-Liquidating Loans	0	0	0	0	0	0	0	0	0	0	0
VI.	**NRI & FC(B&O) DEPOSITS (Above one year maturity)**[c]	77,273	83,712	110,022	135,618	143,267	161,834	179,786	174,623	210,118	217,062	230,812
a)	NRI deposits[d]	77,273	83,712	110,022	135,618	143,267	161,834	179,786	174,623	210,118	217,062	230,812
b)	FC (B&O) Deposits[e]	0	0	0	0	0	0	0	0	0	0	0
VII.	**RUPEE DEBT**[f]	17,345	14,807	13,405	11,856	10,071	9,184	8,508	8,065	7,760	7,481	7,147
a)	Defence	15,573	13,198	11,946	10,539	8,887	8,112	7,533	7,172	6,935	6,710	6,416
b)	Civilian	1,772	1,609	1,459	1,317	1,184	1,072	975	893	825	771	731
VIII.	**TOTAL LONG TERM DEBT (I TO VII)**	**455,706**	**468,932**	**476,624**	**476,208**	**508,777**	**533,367**	**628,771**	**714,409**	**921,469**	**942,908**	**1,075,970**
IX.	**SHORT-TERM DEBT**	16,919	13,396	22,180	19,251	77,528	87,155	122,631	182,881	220,656	236,188	**290,147**
a)	NRI deposits (up to one year maturity)[d]	4,463	4,724	9,320	1,321	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	12,456	8,672	12,860	17,930	71,173	86,531	113,256	167,540	203,345	214,267	261,006
	1) 6 Months and above upto 1 year	12,456	8,672	12,860	17,930	32,922	38,788	52,188	91,502	118,936	126,391	157,806
	2) Upto 6 Months	0	0	0	0	38,251	47,743	61,068	76,038	84,409	87,876	103,200

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S.No.	Components of External Debt	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE
		End - March										(₹ crore)
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	0	6,355	624	1,732	2,603	10,522	15,153	24,213
e)	Investment in Treasury Bills by foreign central banks and international institutions etc.	0	0	0	0	0	0	712	620	534	467	225
f)	External Debt Liabilities of:	0	0	0	0	0	0	6,931	12,118	6,255	6,301	4,703
	1) Central Bank	0	0	0	0	0	0	2,185	4,458	3,892	3,139	693
	2) Commercial banks	0	0	0	0	0	0	4,746	7,660	2,363	3,162	4,010
X.	**GRAND TOTAL (VIII+IX)**	**472,625**	**482,328**	**498,804**	**495,459**	**586,305**	**620,522**	**751,402**	**897,290**	**1,142,125**	**1,179,096**	**1,366,117**

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

PR: Partially Revised

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.*

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 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	**MULTILATERAL**	31,105	31,899	29,994	29,297	31,744	32,620	35,337	39,490	39,538	42,859	48,464
	A. Government Borrowing	27,414	28,290	27,271	26,826	29,204	29,996	32,514	36,171	35,724	37,825	42,578
	(i) Concessional	19,080	19,713	21,560	22,674	24,023	23,731	24,876	26,859	25,080	25,711	26,991
	a) IDA	18,811	19,440	21,258	22,356	23,693	23,418	24,548	26,497	24,757	25,380	26,637
	b) Others	269	273	302	318	330	313	328	362	323	331	354
	ii) Non-concessional	8,334	8,577	5,711	4,152	5,181	6,265	7,638	9,312	10,644	12,114	15,587
	a) IBRD	5,654	5,742	4,009	3,144	3,771	4,400	5,015	5,660	5,878	6,397	8,774
	b) Others	2,680	2,835	1,702	1,008	1,410	1,865	2,623	3,652	4,766	5,717	6,813
	B. Non-Government Borrowing	3,691	3,609	2,723	2,471	2,540	2,624	2,823	3,319	3,814	5,034	5,886
	(i) Concessional	0	0	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	3,691	3,609	2,723	2,471	2,540	2,624	2,823	3,319	3,814	5,034	5,886
	a) Public Sector	2,655	2,609	1,945	1,770	1,828	1,908	2,136	2,589	2,807	3,305	3,536
	i) IBRD	1,525	1,496	920	984	1,020	1,030	1,043	1,173	1,395	1,893	2,057
	ii) Others	1,130	1,113	1,025	786	808	878	1,093	1,416	1,412	1,412	1,479
	b) Financial Institutions	722	766	668	651	637	589	554	587	730	1,193	1,680
	i) IBRD	218	215	110	85	58	141	150	148	146	298	425
	ii) Others	504	551	558	566	579	448	404	439	584	896	1,255
	c) Private Sector	314	234	110	50	75	127	133	143	277	535	670
	i) IBRD	246	190	63	0	0	0	0	0	0	0	0
	ii) Others	68	44	47	50	75	127	133	143	277	535	670
II.	**BILATERAL**	15,975	15,323	16,802	17,277	17,034	15,761	16,065	19,708	20,610	22,593	25,953
	A.Government borrowing	12,176	11,540	12,664	12,987	13,132	12,239	12,344	14,853	14,655	15,860	18,075
	(i) Concessional	11,898	11,359	12,547	12,900	13,074	12,211	12,344	14,853	14,655	15,860	18,075
	ii) Non-concessional	278	181	117	87	58	28	0	0	0	0	0
	B.Non-Government borrowing	3,799	3,783	4,138	4,290	3,902	3,522	3,721	4,855	5,955	6,733	7,878
	(i) Concessional	1,196	1,411	1,685	1,983	1,708	1,558	396	435	641	702	917
	a) Public Sector	635	877	1,083	1,287	1,292	1,185	285	307	227	248	362
	b) Financial Institutions	561	534	602	696	416	373	111	128	414	454	555
	c) Private Sector	0	0	0	0	0	0	0	0	0	0	0

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S.No.	Components of External Debt	End - March										(US$ million)
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
	ii) Non-concessional	2,603	2,372	2,453	2,307	2,194	1,964	3,325	4,420	5,314	6,031	6,961
	a) Public Sector	797	988	1,076	1,110	995	813	1,702	2,525	2,959	3,072	3,121
	b) Financial Institutions	765	760	751	710	650	535	878	934	846	761	845
	c) Private Sector	1,041	624	626	487	549	616	745	961	1,509	2,198	2,994
III.	**IMF**[a]	0	0	0	1,008	1,029	981	1,029	1,120	1,018	6,041	6,308
IV.	**EXPORT CREDIT**	5,923	5,368	4,995	4,697	5,022	5,420	7,165	10,328	14,481	16,867	18,627
	a) Buyers' credit	3,717	3,311	2,823	2,546	2,980	3,607	5,417	8,287	12,572	14,837	16,425
	b) Suppliers' credit	1,158	1,069	1,081	1,029	905	751	675	750	635	651	630
	c) Export credit component of bilateral credit	1,035	988	1,091	1,122	1,137	1,062	1,073	1,291	1,274	1,379	1,572
	d) Export credit for defence purchases	13	0	0	0	0	0	0	0	0	0	0
V.	**COMMERCIAL BORROWINGS**	24,408	23,320	22,472	22,007	26,405	26,452	41,443	62,334	62,461	70,800	88,267
	a) Commercial bank loans [b]	9,899	9,962	9,870	11,588	14,375	16,479	24,577	40,159	43,169	44,892	58,035
	b) Securitized borrowings [c]	13,887	12,851	12,093	9,568	11,197	9,217	15,603	20,668	17,918	25,090	29,501
	c) Loans/securitized borro wings etc., with multilateral/bilateral guarantee + IFC(W)	622	507	509	851	833	756	1,263	1,507	1,374	818	731
	d) Self-Liquidating Loans	0	0	0	0	0	0	0	0	0	0	0
VI.	**NRI & FC(B&O) DEPOSITS (Above one year maturity)**[d]	16,568	17,154	23,160	31,216	32,743	36,282	41,240	43,672	41,554	47,890	51,682
	a) NRI deposits[d]	16,568	17,154	23,160	31,216	32,743	36,282	41,240	43,672	41,554	47,890	51,682
	b) FC (B&O) Deposits[e]	0	0	0	0	0	0	0	0	0	0	0
VII.	**RUPEE DEBT**[f]	3,719	3,034	2,822	2,720	2,302	2,059	1,951	2,017	1,523	1,657	1,601
	a) Defence	3,339	2,704	2,515	2,426	2,031	1,819	1,728	1,794	1,361	1,486	1,437
	b) Civilian	380	330	307	294	271	240	223	223	162	171	164
VIII.	**TOTAL LONG TERM DEBT (I TO VII)**	**97,698**	**96,098**	**100,245**	**108,222**	**116,279**	**119,575**	**144,230**	**178,669**	**181,185**	**208,707**	**240,902**

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S.No.	Components of External Debt	End - March 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE (US$ million)
1	2	3	4	5	6	7	8	9	10	11	12	13
IX.	**SHORT-TERM DEBT**	**3,628**	**2,745**	**4,669**	**4,431**	**17,723**	**19,539**	**28,130**	**45,738**	**43,313**	**52,329**	**64,990**
a)	NRI deposits (up to one year maturity)[d]	957	968	1,962	304	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	2,671	1,777	2,707	4,127	16,271	19,399	25,979	41,901	39,915	47,473	58,463
	1) 6 Months and above upto 1 year	2,671	1,777	2,707	4,127	7,529	8,696	11,971	22,884	23,346	28,003	35,347
	2) Upto 6 Months	0	0	0	0	8,742	10,703	14,008	19,017	16,569	19,470	23,116
d)	FII Investment in Govt. Treasury Bills and other instruments	0	0	0	0	1,452	140	397	651	2,065	3,357	5,424
e)	Investment in Treasury Bills by foreign central banks and international institutions etc.	0	0	0	0	0	0	164	155	105	103	50
f)	External Debt Liabilities of:	0	0	0	0	0	0	1,590	3,031	1,228	1,396	1,053
	1) Central Bank	0	0	0	0	0	0	501	1,115	764	695	155
	2) Commercial banks	0	0	0	0	0	0	1,089	1,916	464	701	898
X.	**GRAND TOTAL (VIII+IX)**	**101,326**	**98,843**	**104,914**	**112,653**	**134,002**	**139,114**	**172,360**	**224,407**	**224,498**	**261,036**	**305,892**
	<u>Memo Items :</u>											
	Concessional Debt[h]	35893	35517	38614	40277	41107	39559	39,567	44,164	41,899	43,930	47,584
	Concessional Debt to total external debt (per cent)	35.4	35.9	36.8	35.8	30.7	28.4	23.0	19.7	18.7	16.8	15.6
	Short-term debt	3,628	2,745	4,669	4,431	17,723	19,539	28,130	45,738	43,313	52,329	64,990
	Short-term debt to total external debt (per cent)	3.6	2.8	4.5	3.9	13.2	14.045	16.3	20.4	19.3	20.0	21.2

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

PR: Partially Revised

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.*

h *The definition of concessionl debt here includes 'Concessional' categories under Multieateral 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)

S.No. Components of External Debt	End period								
	Mar. 2009	June 2009 PR	Sept. 2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 QE
1 2	3	4	5	6	7	8	9	10	11
I. MULTILATERAL	**201,425**	**197,439**	**203,460**	**199,630**	**193,442**	**208,157**	**209,755**	**212,949**	**216,628**
A. Government Borrowing	181,997	177,451	181,886	177,983	170,722	184,354	184,920	187,525	190,325
(i) Concessional	127,771	124,045	127,956	122,845	116,046	117,550	118,395	117,648	120,651
a) IDA	126,127	122,428	126,296	121,249	114,552	116,027	116,852	116,125	119,066
b) Others	1,644	1,617	1,660	1,596	1,494	1,523	1,543	1,523	1,585
ii) Non-concessional	54,226	53,406	53,930	55,138	54,676	66,804	66,525	69,877	69,674
a) IBRD	29,948	29,304	28,970	29,266	28,874	39,389	38,834	39,651	39,219
b) Others	24,278	24,102	24,960	25,872	25,802	27,415	27,691	30,226	30,455
B. Non-Government Borrowing	19,428	19,988	21,574	21,647	22,720	23,803	24,835	25,424	26,303
(i) Concessional	0	0	0	0	0	0	0	0	0
ii) Non-concessional	19,428	19,988	21,574	21,647	22,720	23,803	24,835	25,424	26,303
a) Public Sector	14,298	14,325	15,094	14,807	14,919	15,603	15,457	15,506	15,802
i) IBRD	7,105	7,302	7,971	8,205	8,544	8,861	9,003	8,939	9,193
ii) Others	7,193	7,023	7,123	6,602	6,375	6,742	6,454	6,567	6,609
b) Financial Institutions	3,721	3,797	4,439	4,766	5,385	5,501	6,700	7,024	7,508
i) IBRD	744	714	1,084	1,062	1,343	1,348	1,813	1,786	1,899
ii) Others	2,977	3,083	3,355	3,704	4,042	4,153	4,887	5,238	5,609
c) Private Sector	1,409	1,866	2,041	2,074	2,416	2,699	2,678	2,894	2,993
i) IBRD	0	0	0	0	0	0	0	0	0
ii) Others	1,409	1,866	2,041	2,074	2,416	2,699	2,678	2,894	2,993
II. BILATERAL	**104,997**	**102,340**	**106,089**	**104,489**	**101,974**	**106,991**	**111,337**	**113,494**	**115,983**
A.Government borrowing	74,662	72,630	75,382	73,539	71,584	74,238	77,428	79,155	80,794
(i) Concessional	74,662	72,630	75,382	73,539	71,584	74,238	77,428	79,155	80,794
ii) Non-concessional	0	0	0	0	0	0	0	0	0
B.Non-Government borrowing	30,335	29,710	30,707	30,950	30,390	32,753	33,909	34,339	35,189
(i) Concessional	3,262	3,300	3,435	3,301	3,169	3,561	3,886	3,913	4,101
a) Public Sector	1,156	1,138	1,189	1,156	1,121	1,295	1,471	1,467	1,621
b) Financial Institutions	2,106	2,162	2,246	2,145	2,048	2,266	2,415	2,446	2,480
c) Private Sector	0	0	0	0	0	0	0	0	0
ii) Non-concessional	27,073	26,410	27,272	27,649	27,221	29,192	30,023	30,426	31,088
a) Public Sector	15,076	14,393	14,603	14,443	13,867	14,415	14,177	14,221	13,943
b) Financial Institutions	4,311	4,142	4,055	3,865	3,435	3,428	3,689	3,691	3,777
c) Private Sector	7,686	7,875	8,614	9,341	9,919	11,349	12,157	12,514	13,368

Contd..

(₹ Crore)

S.No.	Components of External Debt	Mar. 2009	June 2009 PR	Sept. 2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 QE
		End period								
1	2	3	4	5	6	7	8	9	10	11
III.	**IMF[a]**	**5,188**	**5,063**	**30,288**	**29,112**	**27,264**	**27,417**	**27,810**	**27,453**	**28,163**
IV.	**EXPORT CREDIT**	**73,772**	**71,115**	**73,488**	**73,300**	**76,128**	**81,087**	**82,219**	**84,829**	**83,167**
	a) Buyers' credit	64,046	61,819	63,824	63,768	66,965	71,691	72,617	75,073	73,327
	b) Suppliers' credit	3,234	2,980	3,109	3,137	2,938	2,940	2,869	2,873	2,814
	c) Export credit component of bilateral credit	6,492	6,316	6,555	6,395	6,225	6,456	6,733	6,883	7,026
	d) Export credit for defence purchases	0	0	0	0	0	0	0	0	0
V.	**COMMERCIAL BORROWINGS**	**318,209**	**301,626**	**320,268**	**326,271**	**319,557**	**341,340**	**362,542**	**378,663**	**394,070**
	a) Commercial bank loans [b]	219,925	208,817	222,908	220,379	202,618	220,117	228,565	244,240	259,095
	b) Securitized borrowings [c]	91,286	86,280	91,522	100,450	113,245	117,560	130,481	131,072	131,708
	c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	6,998	6,529	5,838	5,442	3,694	3,663	3,496	3,351	3,267
	d) Self-Liquidating Loans	0	0	0	0	0	0	0	0	0
VI.	**NRI DEPOSITS(Above one year maturity)[d]**	**210,118**	**216,229**	**220,551**	**221,492**	**217,062**	**223,939**	**227,314**	**227,037**	**230,812**
	a) NR(E) RA	119,181	121,030	122,019	120,819	118,984	121,340	121,062	119,010	117,802
	b) FCNR (B)	66,803	67,975	68,068	68,399	64,625	66,887	68,374	67,657	69,658
	c) NRO Deposits	24,134	27,224	30,464	32,274	33,453	35,712	37,878	40,370	43,352
VII.	**RUPEE DEBT[e]**	**7,760**	**7,695**	**7,690**	**7,690**	**7,481**	**7,380**	**7,373**	**7,374**	**7,147**
	a) Defence	6,935	6,896	6,892	6,892	6,710	6,635	6,630	6,631	6,416
	b) Civilian	825	799	798	798	771	745	743	743	731
VIII.	**TOTAL LONG TERM DEBT (I TO VII)**	**921,469**	**901,507**	**961,834**	**961,984**	**942,908**	**996,311**	**1,028,350**	**1,051,799**	**1,075,970**
IX.	**SHORT-TERM DEBT**	**220,656**	**201,989**	**206,068**	**217,565**	**236,188**	**262,949**	**271,907**	**273,942**	**290,147**
	a) Trade - Related Credits	203,345	185,097	191,509	200,827	214,267	241,297	244,435	249,808	261,006
	1) 6 Months and above/upto 1 year	118,936	114,346	116,035	118,836	126,391	145,258	146,581	150,844	157,806
	2) Up to 6 months	84,409	70,751	75,474	81,991	87,876	96,039	97,854	98,964	103,200
	b) FII Investment in Govt. Treasury Bills and other instruments	10,522	10,288	8,457	10,010	15,153	15,086	19,725	17,854	24,213
	c) Investment in Treasury Bills by foreign central banks and international institutions etc.	534	498	370	397	467	393	385	200	225
	d) External Debt Liabilities of:	6,255	6,106	5,732	6,331	6,301	6,173	7,362	6,080	4,703
	1) Central Bank	3,892	3,681	3,371	3,091	3,139	2,977	2,808	2,980	693
	2) Commercial banks	2,363	2,425	2,361	3,240	3,162	3,196	4,554	3,100	4,010
X.	**GRAND TOTAL (VIII+IX)**	**1,142,125**	**1,103,496**	**1,167,902**	**1,179,549**	**1,179,096**	**1,259,260**	**1,300,257**	**1,325,741**	**1,366,117**

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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*

[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]

[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. 2009	June 2009 PR	Sept. 2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 QE
1	2	3	4	5	6	7	8	9	10	11
I.	**MULTILATERAL**	**39,538**	**41,236**	**42,352**	**42,762**	**42,859**	**44,678**	**46,690**	**47,528**	**48,464**
	A. Government Borrowing	35,724	37,061	37,861	38,124	37,825	39,569	41,162	41,854	42,578
	(i) Concessional	25,080	25,908	26,635	26,313	25,711	25,231	26,354	26,258	26,991
	a) IDA	24,757	25,570	26,290	25,971	25,380	24,904	26,011	25,918	26,637
	b) Others	323	338	345	342	331	327	343	340	354
	ii) Non-concessional	10,644	11,153	11,226	11,811	12,114	14,338	14,808	15,596	15,587
	a) IBRD	5,878	6,120	6,030	6,269	6,397	8,454	8,644	8,850	8,774
	b) Others	4,766	5,033	5,196	5,542	5,717	5,884	6,164	6,746	6,813
	B. Non-Government Borrowing	3,814	4,175	4,491	4,638	5,034	5,109	5,528	5,674	5,886
	(i) Concessional	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	3,814	4,175	4,491	4,638	5,034	5,109	5,528	5,674	5,886
	a) Public Sector	2,807	2,992	3,142	3,172	3,305	3,349	3,441	3,461	3,536
	i) IBRD	1,395	1,525	1,659	1,758	1,893	1,902	2,004	1,995	2,057
	ii) Others	1,412	1,467	1,483	1,414	1,412	1,447	1,437	1,466	1,479
	b) Financial Institutions	730	793	924	1,021	1,194	1,181	1,491	1,567	1,680
	i) IBRD	146	149	226	228	298	289	403	398	425
	ii) Others	584	644	698	793	896	892	1,088	1,169	1,255
	c) Private Sector	277	390	425	445	535	579	596	646	670
	i) IBRD	0	0	0	0	0	0	0	0	0
	ii) Others	277	390	425	445	535	579	596	646	670
II.	**BILATERAL**	**20,610**	**21,374**	**22,084**	**22,387**	**22,593**	**22,964**	**24,783**	**25,331**	**25,953**
	A.Government borrowing	14,655	15,169	15,692	15,752	15,860	15,934	17,235	17,667	18,074
	(i) Concessional	14,655	15,169	15,692	15,752	15,860	15,934	17,235	17,667	18,074
	ii) Non-concessional	0	0	0	0	0	0	0	0	0
	B.Non-Government borrowing	5,955	6,205	6,392	6,635	6,733	7,030	7,548	7,664	7,879
	(i) Concessional	641	689	715	707	702	764	865	873	918
	a) Public Sector	227	238	247	248	248	278	327	327	363
	b) Financial Institutions	414	451	468	459	454	486	538	546	555
	c) Private Sector	0	0	0	0	0	0	0	0	0
	ii) Non-concessional	5,314	5,516	5,677	5,928	6,031	6,266	6,683	6,791	6,961
	a) Public Sector	2,959	3,006	3,040	3,096	3,072	3,094	3,156	3,174	3,122
	b) Financial Institutions	846	865	844	828	761	736	821	824	845
	c) Private Sector	1,509	1,645	1,793	2,004	2,198	2,436	2,706	2,793	2,994
III.	**IMF[a]**	**1,018**	**1,057**	**6,303**	**6,236**	**6,041**	**5,885**	**6,190**	**6,127**	**6,308**

Contd..

(US$ million)

S.No. Components of External Debt	End period								
	Mar. 2009	June 2009 PR	Sept. 2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept. 2010 PR	Dec. 2010 PR	March 2011 QE
1 2	3	4	5	6	7	8	9	10	11
IV. EXPORT CREDIT	**14,481**	**14,853**	**15,297**	**15,718**	**16,867**	**17,405**	**18,301**	**18,933**	**18,627**
a) Buyers' credit	12,572	12,912	13,286	13,676	14,837	15,388	16,164	16,756	16,425
b) Suppliers' credit	635	622	647	672	651	631	638	641	630
c) Export credit component of bilateral credit	1,274	1,319	1,364	1,370	1,379	1,386	1,499	1,536	1,572
d) Export credit for defence purchases	0	0	0	0	0	0	0	0	0
V. COMMERCIAL BORROWINGS	**62,461**	**62,996**	**66,667**	**69,966**	**70,800**	**73,265**	**80,700**	**84,513**	**88,267**
a) Commercial bank loans [b]	43,169	43,612	46,401	47,262	44,892	47,246	50,877	54,511	58,034
b) Securitized borrowings [c]	17,918	18,020	19,051	21,537	25,090	25,233	29,044	29,254	29,501
c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	1,374	1,364	1,215	1,167	818	786	779	748	732
d) Self-Liquidating Loans	0	0	0	0	0	0	0	0	0
VI. NRI DEPOSITS(Above one year maturity)[d]	**41,554**	**44,579**	**45,972**	**47,490**	**47,890**	**48,108**	**49,907**	**50,672**	**51,682**
a) NR(E) RA	23,570	24,952	25,434	25,905	26,251	26,067	26,579	26,562	26,378
b) FCNR (B)	13,211	14,014	14,188	14,665	14,258	14,369	15,012	15,100	15,597
c) NRO Deposits	4,773	5,613	6,350	6,920	7,381	7,672	8,316	9,010	9,707
VII. RUPEE DEBT[e]	**1,523**	**1,607**	**1,601**	**1,647**	**1,657**	**1,584**	**1,641**	**1,646**	**1,601**
a) Defence	1,361	1,440	1,435	1,476	1,486	1,424	1,476	1,480	1,437
b) Civilian	162	167	166	171	171	160	165	166	164
VIII. TOTAL LONG TERM DEBT (I TO VII)	**181,185**	**187,702**	**200,276**	**206,206**	**208,707**	**213,889**	**228,212**	**234,750**	**240,902**
IX. SHORT-TERM DEBT	**43,313**	**42,186**	**42,895**	**46,603**	**52,329**	**56,439**	**60,525**	**61,141**	**64,990**
a) Trade - Related Credits	39,915	38,658	39,865	43,018	47,472	51,792	54,409	55,754	58,463
1) 6 Months and above/upto 1 year	23,346	23,882	24,154	25,455	28,003	31,178	32,628	33,667	35,347
2) Up to 6 months	16,569	14,776	15,711	17,563	19,469	20,614	21,781	22,087	23,116
b) FII Investment in Govt. Treasury Bills and other instruments	2,065	2,149	1,760	2,144	3,357	3,238	4,391	3,985	5,424
c) Investment in Treasury Bills by foreign central banks and international institutions etc.	105	104	77	85	103	84	86	45	50
d) External Debt Liabilities of:	1,228	1,275	1,193	1,356	1,397	1,325	1,639	1,357	1,053
1) Central Bank	764	769	702	662	696	639	625	665	155
2) Commercial banks	464	506	491	694	701	686	1,014	692	898
X. GRAND TOTAL (VIII+IX)	**224,498**	**229,888**	**243,171**	**252,809**	**261,036**	**270,328**	**288,737**	**295,891**	**305,892**
Memo Items :									
Concessional Debt[f]	41,899	43,373	44,643	44,419	43,930	43,513	46,095	46,444	47,584
Concessional Debt to total external debt (per cent)	18.7	18.9	18.4	17.6	16.8	16.1	16.0	15.7	15.6
Short-term debt	43,313	42,186	42,895	46,603	52,329	56,439	60,525	61,141	64,990
Short-term debt to total external debt (per cent)	19.3	18.4	17.6	18.4	20.0	20.9	21.0	20.7	21.2

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' categoreis 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."*

Annex- VII

External Debt by Borrower Category

(US$ million)

Sl.	Borrower Category	End - March										
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010PR	2011 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	**Government Debt (A+B):**	43,956	43,575	43,612	45,681	47,697	46,259	49,360	58,070	55,870	67,067	78,165
A.	**of which long-term:**	43,956	43,575	43,612	45,681	46,538	46,119	49,034	57,453	54,931	65,549	75,323
1	*Government Account*	40,727	40,965	41,216	41,142	43,686	43,510	46,155	52,538	51,816	55,235	62,388
2	*Other Govt. Debt*	3,229	2,610	2,396	4,539	2,852	2,609	2,879	4,914	3,115	10,314	12,935
B.	***of which short-term:***	0	0	0	0	1,159	140	326	615	939	1,518	2,842
II.	**Non-Govt. Debt (C+D):**	57,370	55,268	61,302	66,972	86,305	92,855	123,000	166,337	168,628	193,969	227,727
C.	***of which long-term:***	53,742	52,523	56,633	62,541	69,741	73,456	95,196	121,214	126,254	143,158	165,579
1	Financial Sector[a]	32,661	32,367	37,032	40,575	43,455	42,334	48,414	51,138	48,617	55,679	61,430
2	*Public Sector*[b]	9,024	8,225	7,518	7,685	6,496	6,671	7,978	11,040	12,599	14,009	17,322
3	*Private Sector*[c]	12,057	11,931	12,083	14,281	19,790	24,451	38,804	59,036	65,038	73,470	86,827
D.	***of which short-term:***	3,628	2,745	4,669	4,431	16,564	19,399	27,804	45,123	42,374	50,811	62,148
	(Share of short-term Debt in total debt)	(3.6)	(2.8)	(4.5)	(3.9)	(13.2)	(14.0)	(16.3)	(20.4)	(19.3)	(20.0)	(21.2)
III.	**Total External Debt (I+II)**	101,326	98,843	104,914	112,653	134,002	139,114	172,360	224,407	224,498	261,036	305,892
	Memo Items:											
IV	**Share of Government debt in total debt**	43.4	44.1	41.6	40.5	35.6	33.3	28.6	25.9	24.9	25.7	25.6
V	**Share of Non-Government debt in total debt**	56.6	55.9	58.4	59.5	64.4	66.7	71.4	74.1	75.1	74.3	74.4

NSA: Not Separately Available; 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. Long-term NRI Deposits are included in the financial sector.*

[b]: *Public sector debt represents borrowings of non- financial public sector enterprises.*

[c]: *Private sector debt represents borrowings of non- financial private sector enterprises.*

Annex- VIII

Instrument-wise Classification of Long-term External Debt Outstanding at end-March 2011

(US$ million)

			INSTRUMENTS				
Borrower		Creditor	Bonds & Notes	Loans	Trade Credits	Deposits	Total
1	2	3	4	5	6	7	8
I	**Government:**		**5,428**	**62,015**	**1,572**	**6,308**	**75,323**
	1	Multilateral	0	42,578	0	0	**42,578**
	2	Bilateral	0	18,075	0	0	**18,075**
	3	IMF (SDR Allocation)	0	0	0	6,308	**6,308**
	4	Export Credit	0	0	1,572	0	**1,572**
	5	Commercial[a]	5,428	0	0	0	**5,428**
	6	Rupee Debt	0	1,362	0	0	**1,362**
II	**Financial Sector[b]:**		**10,054**	**9,514**	**0**	**51,682**	**71,250**
	1	Multilateral	0	1,701	0	0	**1,701**
	2	Bilateral	0	1,630	0	0	**1,630**
	3	Export Credit	0	287	0	0	**287**
	4	Commercial	10,054	5,896	0	0	**15,950**
	5	NRI Deposits	0	0	0	51,682	**51,682**
III	**Non-Financial Public Sector**		**1,319**	**16,003**	**0**	**0**	**17,322**
	1	Multilateral	0	3,514	0	0	**3,514**
	2	Bilateral	0	3,360	0	0	**3,360**
	3	Export Credit	0	3,404	0	0	**3,404**
	4	Commercial	1,319	5,486	0	0	**6,805**
	5	Rupee Dept	0	239	0	0	**239**
IV	**Non-Financial Private Sector:**		**12,700**	**63,677**	**630**	**0**	**77,007**
	1	Multilateral	0	671	0	0	**671**
	2	Bilateral	0	2,888	0	0	**2,888**
	3	Export Credit	0	12,734	630	0	**13,364**
	4	Commercial	12,700	47,384	0	0	**60,084**
V.	**Total Long Term External Debt:(I to IV)**		**29,501**	**151,209**	**2,202**	**57,990**	**240,902**
	1	Multilateral	0	48,464	0	0	**48,464**
	2	Bilateral	0	25,953	0	0	**25,953**
	3	IMF	0	0	0	6,308	**6,308**
	4	Export Credit	0	16,425	2,202	0	**18,627**
	5	Commercial	29,501	58,766	0	0	**88,267**
	6	NRI Deposits/Curr & Deposits	0	0	0	51,682	**51,682**
	7	Rupee Debt	0	1,601	0	0	**1,601**

Memo Items:

	Borrower Category	**Bonds & Notes**	**Loans**	**Trade Credits**	**Deposits**	**Total**
		per cent to total long-term debt				
I	Government:	2.25	25.74	0.65	2.62	31.27
II	Financial Sector:	4.17	3.95	0.00	21.45	29.58
III	Non-Financial Public Sector	0.55	6.64	0.00	0.00	7.19
IV	Non-Financial Private Sector	5.27	26.43	0.26	0.00	31.97
V	**Total Long-Term Debt**	**12.25**	**62.77**	**0.91**	**24.07**	**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.

Annex- IX

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

Sl. No.	Currency	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QE
		at end-March										
1	2	3	4	5	6	7	8	9	10	11	12	13
1	US Dollar	55.0	54.3	46.6	40.0	47.7	48.8	51.1	55.3	54.1	53.2	53.5
2	Indian Rupees	12.4	11.9	17.3	22.5	19.4	18.8	18.5	16.2	15.4	18.7	19.5
3	Japanese Yen	10.1	10.2	10.7	11.6	10.4	10.9	11.4	12.0	14.3	11.5	11.4
4	SDRs	12.8	14.1	15.2	16.3	14.9	14.3	12.4	10.6	9.8	10.7	9.7
5	Euro	5.8	5.7	6.2	5.7	4.6	4.4	3.9	3.5	4.1	3.6	3.7
6	Pound Sterling	2.9	2.9	3.0	3.4	2.6	2.6	2.4	2.2	1.9	1.8	1.7
7	Deutsche Mark	0	0	0	0	0	0	0	0	0	0	0
8	French Franc	0	0	0	0	0	0	0	0	0	0	0
9	Netherland Guilders	0	0	0	0	0	0	0	0	0	0	0
10	Others	1.0	0.9	1.0	0.5	0.4	0.2	0.3	0.2	0.4	0.5	0.5
	Total (1 to 10):	**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.

Annex- X

Short-term debt by remaining 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 Foriegn Currency Assets (per cent)	Ratio of residual short-term debt to Foriegn 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	13,323	56,636	25.2	23.5	22.5
2010	52,329	12,559	64,888	24.9	25.5	23.3
2011[c]	64,990	19,088	84,078	27.5	30.6	27.6

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 2010-11, short-term debt at end-March 2011 and projected debt service payments (Long-term) during April 2011-March 2012 amounts to short-term by remaining maturity for 2011-12. 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. No.	Source	Components	April - March 2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	**2008-09**	**2009-10PR**	**2010-11 QE**
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	External Assistance[a]		3,444	3,225	7,165	6,983	2,855	2,652	2,942	3,241	3,384	3,461	3,668
		Repayments	2,338	2,150	6,037	6,193	2,129	1,945	1,960	2,099	2,375	2,585	2,840
		Interest	1,106	1,075	1,128	790	726	707	982	1142	1009	876	828
2	External Commercial Borrowings		7,073	5,563	6,186	10,164	4,530	14,839	6,331	9,771	10,543	13,885	13,175
		Repayments	5,378	4,107	5,019	8,045	3,571	11,824	3,814	6,119	6,578	10,641	9,650
		Interest	1,695	1,456	1,167	2,119	959	3,015	2,517	3,652	3,965	3,244	3,525
3	I. M. F.		26	0	0	0	0	0	0	0	0	0	0
		Repayments	26	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		1,661	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737
		Interest	1,661	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737
5	Rupee Debt Service		617	519	474	376	417	572	162	122	101	97	69
		Repayments	617	519	474	376	417	572	162	122	101	97	69
	Total Debt Service		**12,821**	**11,115**	**15,239**	**19,165**	**9,155**	**19,560**	**11,404**	**14,947**	**15,575**	**19,042**	**18,649**
		Repayments	**8,359**	**6,776**	**11,530**	**14,614**	**6,117**	**14,341**	**5,936**	**8,340**	**9,054**	**13,323**	**12,559**
		Interest	**4,462**	**4,339**	**3,709**	**4,551**	**3,038**	**5,219**	**5,468**	**6,607**	**6,521**	**5,719**	**6,090**
Memo Items:													
	Current Receipts		77,467	80,982	95,128	119,239	154,123	194,170	242,811	314,284	356,175	344,917	447,405
Debt Service Ratio (%)			16.6	13.7	16.0[b]	16.1[c]	5.9[d]	10.1[e]	4.7	4.8	4.4	5.5	4.2
Interest to Current Receipts Ratio (%)			5.8	5.4	3.9	3.8	2.0	2.7	2.3	2.1	1.8	1.7	1.4

PR: Partially Revised, QE: Quick Estimate

[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 2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 PR	2010-11 QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Multilateral :	2,411	2,160	5,872	4,553	1,299	1,549	1,866	2,096	2,016	2,123	2,332
	Principal	1,629	1,405	5,093	4,093	919	1,060	1,149	1,255	1,367	1,587	1,877
	Interest	782	755	779	460	380	489	717	841	649	536	455
2	Bilateral :	1,593	1,530	1,634	2,923	1,960	1,491	1,400	1,615	1,863	1,957	1,889
	Principal	1,108	1,119	1,177	2,525	1,524	1,193	986	1,098	1,276	1,380	1,387
	Interest	485	411	457	398	436	298	414	517	587	577	502
3	IMF :	26	0	0	0	0	0	0	0	0	0	0
	Principal	26	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 :	1,670	1,185	1,426	1,090	718	1,343	1,033	1,971	1,732	1,889	2,142
	Principal	1,302	885	1,196	877	618	1,114	645	1,345	1,150	1,346	1,668
	Interest	368	300	230	213	100	229	388	626	582	543	474
5	Commercial Borrowings:	4,843	3,913	4,419	8,581	3,408	13,108	4,974	7,330	8,316	11,377	10,480
	Principal	3,677	2,848	3,590	6,743	2,639	10,402	2,994	4,520	5,160	8,913	7,558
	Interest	1,166	1,065	829	1,838	769	2,706	1,980	2,810	3,156	2,464	2,922
6	NRI Deposits :	1,661	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737
	Interest[a]	1,661	1,808	1,414	1,642	1,353	1,497	1,969	1,813	1,547	1,599	1,737
7	Rupee Debt :	617	519	474	376	417	572	162	122	101	97	69
	Principal	617	519	474	376	417	572	162	122	101	97	69
8	**Total Debt :**	12,821	11,115	15,239	19,165	9,155	19,560	11,404	14,947	15,575	19,042	18,649
	Principal	8,359	6,776	11,530	14,614	6,117	14,341	5,936	8,340	9,054	13,323	12,559
	Interest	4,462	4,339	3,709	4,551	3,038	5,219	5,468	6,607	6,521	5,719	6,090
	Memo items:											
I	Current Receipts	77,467	80,982	95,248	119,239	154,123	194,170	242,811	314,284	356,175	344,917	447,405
II	Debt Service Ratio(8/9)(%)	16.6	13.7	16.0[b]	16.1[c]	5.9[d]	10.1[e]	4.7	4.8	4.4	5.5	4.2
III	Interest to Current Receipts Ratio (%)	5.8	5.4	3.9	3.8	2.0	2.7	2.3	2.1	1.8	1.7	1.4

PR: Partially Revised, QE: Quick Estimate

Note: 1) This corrosponds 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 compiliation 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.*

Annex-XIII

International Comparison of Top Twenty Debtor Countries, 2009

SI. 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/total debt
1	2	3	4	5	6	7	8	9
1	China	428,442	404,026	25	8.7	9	240,509	572.5
2	Russian Federation	381,339	348,913	74	31.9	26	30,624	115.2
3	Brazil	276,932	260,697	125	17.9	17	39,789	86.1
4	Turkey	251,372	231,439	144	41.2	35	39,725	29.8
5	India	237,692	212,262	71	18.2	17	42,950	119.8
6	Mexico	192,008	176,766	61	22.3	18	23,335	52
7	Indonesia	157,517	140,615	99	30.2	30	18,662	42
8	Argentina	120,183	119,952	156	40.1	41	19,537	39.9
9	Romania	117,511	94,557	166	71.6	53	21,032	39
10	Kazakhstan	109,873	97,124	157	113	96	8,676	21.1
11	Ukraine	93,153	89,029	123	83.8	62	19,873	28.4
12	Chile	71,646	65,749	84	46.7	43	17,476	35.3
13	Malaysia	66,390	60,881	27	35.8	31	23,695	145.7
14	Phillipines	62,911	54,814	90	39.2	35	4,002	70.3
15	Thailand	58,755	54,554	28	23.3	22	27,881	235.6
16	Venezuela, RB	54,503	54,906	66	16.7	19	16,009	63
17	Pakistan	53,710	38,732	157	31.3	24	1,466	25.3
18	Colombia	52,223	44,370	111	23.6	20	4,110	47.8
19	South Africa	42,101	42,043	44	15.1	35	13,274	94.1
20	Bulgaria	40,582	36,959	132	90.4	85	18,578	45.6

Source: World Bank's Global Development Finance, 2011.

Note: 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	2011 Q1 (end-March 2011)			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	447,638	62,274	509,912	12.2
2	Brazil	320,617	57,475	378,092	15.2
3	India	240,902	64,990	305,892	21.2
4	Turkey	221,610	77,208	298,818	25.8
5	Mexico	214,815	51,210	266,025	19.3
6	Indonesia	123,611	35,114	158,725	22.1
7	Romania	114,929	19,339	134,268	14.4
8	Argentina	100,743	30,084	130,827	23.0
9	Kazakhstan	111,936	12,250	124,186	9.9
10	Ukraine	93,039	27,459	120,498	22.8
11	Thailand	56,518	48,199	104,717	46.0
12	South Africa	82,363	20,733	103,096	20.1
13	Chile	71,187	20,583	91,770	22.4
14	Colombia	58,091	9,765	67,856	14.4
15	Bulgaria	37,083	15,429	52,512	29.4

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, 2011,' published by the world Bank.

Creditor-wise Sovereign External Debt

(₹ crore)

S.No. Institution/Country Category	End - March										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010PR	2011QE
1 2	3	4	5	6	7	8	9	10	11	12	13
I External Debt on Govt. Account under External Assistance (A+B)	**189,992**	**199,779**	**196,043**	**184,153**	**191,147**	**194,076**	**201,199**	**210,086**	**263,976**	**249,288**	**278,876**
A. Multilateral (1 to 5)	**127,890**	**137,933**	**129,706**	**120,074**	**127,782**	**133,799**	**141,734**	**144,630**	**181,997**	**170,720**	**190,325**
1 IDA	87,753	94,848	101,094	100,065	103,671	104,457	107,015	105,944	126,127	114,552	119,066
2 IBRD	26,377	28,011	19,076	14,075	16,500	19,625	21,852	22,638	29,948	28,872	39,219
3 ADB	12,503	13,745	8,099	4,509	6,169	8,322	11,434	14,594	24,278	25,803	30,455
4 IFAD	996	1,068	1,173	1,172	1,211	1,189	1,222	1,247	1,437	1,300	1,397
5 Others	261	261	264	253	231	206	211	207	207	193	188
B. Bilateral (6 to 12)	**62,102**	**61,846**	**66,337**	**64,079**	**63,365**	**60,277**	**59,465**	**65,456**	**81,979**	**78,568**	**88,551**
6 Japan	35,048	36,052	40,098	43,210	42,275	39,896	38,014	43,207	56,600	56,156	65,907
7 Germany	9,856	9,673	11,023	11,244	11,217	10,190	10,660	11,393	12,485	11,090	11,899
8 United States	6,053	5,665	4,881	4,042	3,458	3,071	2,567	2,049	2,216	1,715	1,489
9 France	3,172	3,064	2,844	2,851	2,807	2,469	2,441	2,446	2,406	1,901	1,750
10 Netherlands	2,085	1,944	2,087	0		-	-	-	-	-	-
11 Russian Federation	1,934	1,813	1,970	2,561	3,576	4,627	5,761	6,336	8,246	7,684	7,484
12 Others	3,954	3,635	3,434	171	32	24	22	25	26	22	22
II Total Other Govt. External Debt [C+D]	**14,078**	**12,499**	**10,831**	**13,776**	**17,553**	**12,258**	**13,967**	**22,112**	**20,675**	**53,405**	**70,440**
C. Other Govt. External Debt (Long-term)	**14078**	**12499**	**10831**	13,776	12,479	11,634	12,548	19,652	15,891	46,550	57,748
D. Other Govt. External Debt (Short-term)	0	0	0	0	5,074	624	1,419	2,460	4784	6,855	12,692
III. Total Government External Debt (I+II)	**204,070**	**212,278**	**206,874**	**197,929**	**208,700**	**206,334**	**215,166**	**232,198**	**284,651**	**302,693**	**349,316**
IV. Total External Debt	**472,625**	**482,328**	**498,804**	**495,459**	**586,305**	**620,522**	**751,402**	**897,290**	**1,142,125**	**1,179,096**	**1,366,117**
Memo Items :											
a) Total Government External Debt to GDP	9.7	9.3	8.4	7.2	6.4	5.6	5.0	4.7	5.1	4.9	4.4
b) Total External Assistance (Government Account)to GDP	9.0	8.8	8.0	6.7	5.9	5.2	4.7	4.3	4.7	4.0	3.5

PR: Partially Revised; QE: Quick Estimates.

Creditor-wise Sovereign External Debt

(US$ million)

S.No. Institution/Country Category	End - March 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010PR	2011QE
1 2	3	4	5	6	7	8	9	10	11	12	13
I. External Debt on Govt. Account under External Assistance (A+B)	**40,727**	**40,965**	**41,216**	**41,142**	**43,686**	**43,510**	**46,155**	**52,541**	**51,816**	**55,235**	**62,388**
A Multilateral (1 to 5)	**27,417**	**28,289**	**27,271**	**26,826**	**29,204**	**29,997**	**32,515**	**36,171**	**35,724**	**37,825**	**42,578**
1. IDA	18,811	19,440	21,257	22,356	23,693	23,418	24,548	26,496	24,758	25,380	26,637
2. IBRD	5,657	5,741	4,009	3,144	3,771	4,400	5,015	5,662	5,878	6,397	8,774
3. ADB	2,680	2,835	1,702	1,007	1,410	1,866	2,623	3,650	4,766	5,717	6,813
4. IFAD	213	219	247	262	277	267	280	312	282	288	312
5. Others	56	54	56	57	53	46	49	51	40	43	42
B Bilateral (6 to 12)	**13,310**	**12,676**	**13,945**	**14,316**	**14,482**	**13,513**	**13,640**	**16,370**	**16,092**	**17,410**	**19,810**
6. Japan	7,513	7,389	8,429	9,654	9,662	8,944	8,720	10,806	11,110	12,444	14,744
7. Germany	2,113	1,983	2,317	2,512	2,564	2,285	2,445	2,849	2,451	2,458	2,662
8. United States	1,298	1,161	1,026	903	790	688	589	512	435	380	333
9. France	679	628	598	637	642	554	560	612	472	421	392
10. Russian Federation	407	372	414	572	817	1,037	1,321	1,585	1,619	1,702	1,674
11. Netherlands	447	398	439	0	0	0	0	0	0	0	0
12. Others	853	745	722	38	7	5	5	6	5	5	5
II. Total Other Govt. External Debt [C+D]	**3,229**	**2,609**	**2,396**	**4,539**	**4,011**	**2,749**	**3,205**	**5,529**	**4,058**	**11,832**	**15,777**
C. Other Govt. External Debt (Long term)	3229	2609	2396	4,539	2,852	2,609	2,879	4,914	3,119	10,314	12,935
D. Other Govt. External Debt (Short-term)	0	0	0	0	1,159	140	326	615	939	1,518	2,842
III. Total Sovereign External Debt (I+II)	**43,956**	**43,574**	**43,612**	**45,681**	**47,697**	**46,259**	**49,360**	**58,070**	**55,874**	**67,067**	**78,165**
Total External Debt	**101,326**	**98,843**	**104,914**	**112,653**	**134,002**	**139,114**	**172,360**	**224,407**	**224,498**	**261,036**	**305,892**
Memo Items :											
a) Multilateral debt to External Assistance (Ratio)	67.3	69.1	66.2	65.2	66.8	68.9	70.4	68.8	68.9	68.5	68.2
b) Bilateral debt to External Assistance (Ratio)	32.7	30.9	33.8	34.8	33.2	31.1	29.6	31.2	31.1	31.5	31.8
c) External Assistance to total external debt (Ratio)	40.2	41.4	38.9	36.5	32.6	31.3	26.8	23.4	23.1	21.2	20.4
d) Total Sovereign External Debt to total external debt (Ratio)	43.4	44.1	41.2	40.6	35.6	33.3	28.6	25.9	24.9	25.7	25.6

PR: Partially Revised; QE: Quick Estimates.

Annex-XVII

Currency Composition of Sovereign External Debt

(per cent)

SI. No.	Currency	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 PR	2011 QR
1	2	3	4	5	6	7	8	9	10	11	12	13
1	US Dollar	36.8	36.5	28.8	23.4	24.4	27.2	27.9	26.6	29.6	26.5	26.8
2	SDR	29.6	31.9	36.7	40.2	41.8	43.0	43.3	40.7	39.5	41.7	38.1
3	Indian Rupee	7.5	6.3	6.0	8.2	6.7	4.3	4.9	8.0	5.7	8.9	12.4
4	Japanese Yen	17.1	17.0	19.3	21.1	20.2	19.3	17.7	18.6	19.9	18.6	18.8
5	Deutsche Mark	4.9	4.6	-	-	-	-	-	-	-	-	-
6	French Francs	1.5	1.4	-	-	-	-	-	-	-	-	-
7	Euro	-	-	7.9	7.0	6.7	6.1	6.1	6.0	5.2	4.3	3.9
8	Pound Sterling	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-
9	Others	2.5	2.2	1.2	-	0.1	-	-	-	-	-	-
	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.

Annex- XVIII

Sovereign External Debt Service Payments

(US$ million)

Sl. No.	Debt Service Payments	April - March										
		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10PR	2010-11QE
1	2	3	4	5	6	7	8	9	10	11	12	13
I.	**Debt Service Payments under Government Account (A+B)**	**3,444**	**2,762**	**5,949**	**6,296**	**2,262**	**2,272**	**2,722**	**2,696**	**2,719**	**3,273**	**3,530**
A	**Multilateral (i + ii)**	**2,374**	**1,673**	**4,749**	**3,932**	**1,044**	**1,192**	**1,543**	**1,738**	**1,625**	**1,818**	**2,137**
i.	Principal	1,606	1,097	4,134	3,562	737	790	959	1066	1110	1386	1724
ii.	Interest	768	576	615	370	307	402	584	672	515	432	413
B	**Bilateral (iii +iv)**	**1,070**	**1,089**	**1,200**	**2,364**	**1,218**	**1,080**	**1,179**	**958**	**1,094**	**1,455**	**1,393**
iii.	Principal	732	787	918	2067	884	776	868	713	793	1084	1023
iv.	Interest	338	302	282	297	334	304	311	245	301	371	370
II.	**Other Government Debt Service Payments (v + vi)**	**617**	**519**	**474**	**376**	**417**	**572**	**162**	**121**	**101**	**97**	**69**
v.	Principal	617	519	474	376	417	572	162	121	101	97	69
vi.	Interest	0	0	0	0	0	0	0	0	0	0	0
III.	**Total Government External Debt Service Payments (I+II)**	**4,061**	**3,281**	**6,423**	**6,672**	**2,679**	**2,844**	**2,884**	**2,817**	**2,820**	**3,370**	**3,599**
vii.	Total Principal (i+ iii + v)	2,955	2,403	5,526	6,005	2,038	2,138	1,989	1,900	2,004	2,567	2,816
viii.	Total Interest (ii +iv + vi)	1,106	878	897	667	641	706	895	917	816	803	783

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

Annex - XIX

Central Government Guarantees on External Debt

(US$ million)

S.No.	Components	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010PR	2011QE
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Govt. Debt	43,956	43,574	43,612	45,681	47,697	46,259	49,360	58,070	55,870	67,067	78,165
2	Non-Govt. Debt	57,370	55,269	61,302	66,972	86,305	92,855	123,000	166,337	168,628	193,969	227,727
3	*of which* with Govt. Guarantee[a] (a+b+c)	6,315	7,022	6,458	6,528	6,240	6,096	6,107	6,563	6,807	7,786	8,551
	a. Financial Sector	1,429	1,761	1,790	1,856	1,600	1,465	1,446	1,422	1,800	2,276	2,746
	b. Public Sector	4,639	5,070	4,605	4,614	4,484	4,506	4,557	5,040	4,926	5,450	5,763
	c. Private Sector	247	191	63	58	156	125	104	101	81	60	42
4	Total External Debt (1+2)	101,326	98,843	104,914	112,653	134,002	139,114	172,360	224,407	224,498	261,036	305,892
	Memo Items:											
I	Govt. Debt and Guaranteed Debt (1+3)	50,271	50,596	50,070	52,209	53,937	52,355	55,467	64,633	62,677	74,853	86,716
II	Per cent of Govt. Debt and Guaranteed Debt to Total External Debt (5/4)	49.6	51.2	47.7	46.3	40.3	37.6	32.2	28.8	27.9	28.7	28.3
III	Per cent of Govt. Guaranteed Debt to Non-Govt. Debt (3/2)	11.0	12.7	10.5	9.7	7.2	6.6	5.0	3.9	4.0	4.0	3.8

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

PR: Partially Revised QE: Quick Estimates

Annex XX

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

(US$ million)

S.No.	Component	2011-12			2012-13			2013-14			2014-15			2015-16		
		Principal	Interest	Grand Total (3+4)	Principal	Interest	Grand Total (6+7)	Principal	Interest	Grand Total (9+10)	Principal	Interest	Grand Total (12+13)	Principal	Interest	Grand Total (15+16)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
A	**Multilateral (1 to 6)**	1,774.55	303.51	2,078.06	1,946.66	307.37	2,254.03	2,095.72	308.61	2,404.33	2,256.23	310.90	2,567.13	2,418.88	310.90	2,730
1	ADB	367.68	28.85	396.53	416.68	28.5	445.18	439.49	27.62	467.11	481.6	27.07	508.67	503.92	26.36	530.28
2	EEC	1.51	0.22	1.73	1.51	0.21	1.72	1.51	0.19	1.70	1.51	0.18	1.69	1.51	0.17	1.68
3	IBRD	487.96	52.8	540.76	559.45	50.95	610.40	621.8	50.24	672.04	711.22	50.94	762.16	801.32	49.64	850.96
4	IDA	904	218.49	1,122.49	954.89	224.26	1,179.15	1017.46	226.75	1,244.21	1044.69	228.48	1,273.17	1094.38	227.95	1,322.33
5	IFAD	11.57	2.88	14.45	12.3	3.1	15.40	13.46	3.37	16.83	14.21	3.66	17.87	14.75	3.86	18.61
6	OPEC	1.83	0.27	2.10	1.83	0.35	2.18	2	0.44	2.44	3	0.57	3.57	3	0.7	3.70
B.	**Bilateral (7 to 12)**	965.79	409.21	1,375.00	1,033.29	420.15	1,453.44	1,069.91	419.92	1,489.83	1,073.24	413.24	1,486.48	1,267.97	398.61	1,666.58
7	Switzerland	0.8	0.28	1.08	0.8	0.23	1.03	0.8	0.17	0.97	0.79	0.12	0.91	0.76	0.06	0.82
8	Germany	120.82	30.64	151.46	177.35	32.22	209.57	181.89	31.96	213.85	181.75	30.39	212.14	181.75	27.52	209.27
9	France	47.36	7.25	54.61	43.88	6.14	50.02	37.82	5.13	42.95	32.36	4.31	36.67	27.5	3.67	31.17
10	Japan	707.69	290.36	998.05	748.03	291.5	1,039.53	785.56	289.64	1,075.20	793.87	286.71	1,080.58	840.06	283.01	1,123.07
11	Russia	57.55	70.83	128.38	35.36	81.11	116.47	35.36	84.93	120.29	35.36	84.5	119.86	191.64	78.14	269.78
12	United States	31.57	9.85	41.42	27.87	8.95	36.82	28.48	8.09	36.57	29.11	7.21	36.32	26.26	6.21	32.47
13	***Grand Total (A+B)***	***2,740.34***	***712.72***	***3,453.06***	***2,979.95***	***727.52***	***3,707.47***	***3,165.63***	***728.53***	***3,894.16***	***3,329.47***	***724.14***	***4,053.61***	***3,686.85***	***709.51***	***4,396.36***

Note *1: Loan currencies at book value and converted to INR adopting the exchange rate as on 31st March 2011. INR converted to US $ adopting 44.70 (RBI reference rate for Government Foreign Transactions)*

Note *2: The Projections are based on debt outstanding as at end March 2011 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.*

Annex XX

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

(US$ million)

S.No.	States	2016-17			2017-18			2018-19			2019-20			2020-2021		
		Principal	Interest	Grand Total (18+19)	Principal	Interest	Grand Total (21+22)	Principal	Interest	Grand Total (24+25)	Principal	Interest	Grand Total (27+28)	Principal	Interest	Grand Total (27+28)
1	2	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
A	**Multilateral (1 to 6)**	2,418.88	308.68	2,727.56	2,631.65	289.36	2,921.01	2,686.57	274.85	2,961.42	2,717.52	258.79	2,976.31	2,735.32	242.60	2,977.92
1	ADB	520.73	25.3	546.03	515.09	23.85	538.94	520	22.34	542.34	528.53	20.7	549.23	543.21	19.07	562.28
2	EECS	1.51	0.16	1.67	1.51	0.15	1.66	1.51	0.14	1.65	1.51	0.13	1.64	1.51	0.12	1.63
3	IBRD	921.9	47.34	969.24	897.09	43.36	940.45	880.78	38.87	919.65	875.06	34.39	909.45	802.27	29.86	832.13
4	IDA	1136.53	224.34	1,360.87	1197.14	217.42	1,414.56	1262.97	209.12	1,472.09	1289.21	199.43	1,488.64	1,364.45	189.65	1,554.10
5	IFAD	16.75	3.89	20.64	17.82	3.83	21.65	18.31	3.68	21.99	20.21	3.52	23.73	20.88	3.35	24.23
6	OPEC	3	0.74	3.74	3	0.75	3.75	3	0.7	3.70	3	0.62	3.62	3.00	0.55	3.55
B.	Bilateral (7 to 12)	1,265.21	375.23	1,640.44	1,315.28	347.67	1,662.95	1,384.44	320.05	1,704.49	1,421.49	290.68	1,712.17	1,389.23	263.06	1,652.29
7	Switzerland	0.31	0.02	0.33	0.05	0	0.05	0.03	0	0.03	0		-	-	-	-
8	Germany	137.19	22.09	159.28	144.27	20	164.27	147.56	17.82	165.38	148.19	15.62	163.81	128.29	13.46	141.75
9	France	24.24	3.16	27.40	22.55	2.72	25.27	21.96	2.33	24.29	20.91	1.94	22.85	19.59	1.58	21.17
10	Japan	887.29	273.91	1,161.20	932.34	257.11	1,189.45	998.96	240.26	1,239.22	1107.49	222.26	1,329.75	1,106.14	202.73	1,308.87
11	Russia	191.64	70.72	262.36	191.64	63.3	254.94	191.64	55.88	247.52	122.41	47.9	170.31	122.41	43.25	165.66
12	United States	24.54	5.33	29.87	24.43	4.54	28.97	24.29	3.76	28.05	22.49	2.96	25.45	12.80	2.04	14.84
13	***Grand Total (A+B)***	***3,684.09***	***683.91***	***4,368.00***	***3,946.93***	***637.03***	***4,583.96***	***4,071.01***	***594.90***	***4,665.91***	***4,139.01***	***549.47***	***4,688.48***	***4,124.55***	***505.66***	***4,630.21***

Note *1: Loan currencies at book value and converted to INR adopting the exchange rate as on 31st March 2011. INR converted to US $ adopting 44.70 (RBI reference rate for Government Foreign Transaction)*

Note *2: The Projections are based on debt outstanding as at end March 2011 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.*

Annex XXI

Creditor-wise External Debt service Payments on Government Account

(US$ million)

	2006-07			2007-08			2008-09			2009-10PR			2010-11QE		
	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)	**1,827**	**895**	**2,722**	**1,865**	**980**	**2,845**	**1,979**	**828**	**2807**	**2,469**	**804**	**3,273**	**2,635**	**705**	**3,340**
A. Multilateral (1 to 6)	959	584	**1,543**	1,065	675	**1,740**	1,110	515	**1625**	1,385	433	**1818**	1,529	317	**1,846**
1 ADB	49	121	**170**	66	170	**236**	93	146	**239**	134	100	**234**	182	53	**235**
2 EEC	1	0	**1**	2	0	**2**	2	0	**2**	2	0	**2**	1	0	**2**
3 IBRD	206	263	**469**	265	304	**569**	304	189	**493**	388	127	**515**	474	70	**544**
4 IDA	693	197	**890**	721	198	**919**	701	178	**879**	849	203	**1052**	858	191	**1049**
5 IFAD	9	3	**12**	10	3	**13**	9	2	**11**	11	3	**14**	11	3	**14**
6 OPEC	1	0	**1**	1	0	**1**	1	0	**1**	1	0	**1**	2	0	**2**
B. Bilateral (7 to 12)	868	311	**1,179**	800	305	**1,105**	869	313	**1,182**	1,084	371	**1455**	1,106	388	**1,494**
7 Germany	97	20	**117**	96	20	**116**	90	19	**109**	106	24	**130**	93	28	**121**
8 France	51	14	**65**	53	13	**66**	51	11	**62**	56	11	**67**	47	8	**55**
9 Japan	583	219	**802**	533	208	**741**	572	214	**786**	699	262	**961**	733	280	**1013**
10 Russian Federation	39	37	**76**	34	47	**81**	89	55	**144**	161	60	**221**	184	61	**245**
11 Switzerland	1	0	**1**	0	0	**0**	1	0	**1**	1	0	**1**	1	0	**1**
12 USA	97	21	**118**	84	17	**101**	66	14	**80**	61	14	**75**	48	11	**59**

PR: Partially Revised; QE: Quick Estimates

Annex XXII

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	5,495	48,459
2007-08	28,842	29,112	6,063	2,630	8,694	71,051
2008-09	16,517	14,024	6,426	2,702	9,128	77,862
2009-10 PR	21,703	15,955	11,478	2,406	13,044	82,619
2010-11 QE	25,702	21,900	9,634	2,644	12,278	96,237

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.*