

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:236  
ANSWERED ON:03.07.2009  
NATIONAL DEBT  
Reddy Shri K. Jayasurya Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the total National debt has reached an alarming figure of Rs., 3,60,000 crore for the year 2009-10;
- (b) the details thereof alongwith reasons for such high debt; and
- (c) the action taken by the Government to minimize the above debt ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) The outstanding public debt of the Central Government as at the end of March 31, 2009 was placed at Rs. 21,36,085 crore in the Interim Budget 2009-10. The gross market borrowing of the Central Government for 2009-10 was envisaged at Rs. 3,61,782 crore in the Interim Budget 2009-10.

(b) and (c) As a proportion of GDP, outstanding liabilities of the Central Government (internal and external debt valued at historical exchange rates) were 63.3 per cent in 2004-05. In the face of adherence to fiscal rules, the proportion fell to a level of 60.1 per cent in 2007-08. However during 2008-09 the Indian economy was seriously impacted by the twin global shocks - of unprecedented increase in the global commodity prices in the first half of the year and the ripple effects of the deepening of the global financial crisis in the second half. As an appropriate and immediate short-term policy response in line with international best practices, measures were initiated for conscious fiscal expansion, comprising of both tax cuts and expenditure hikes. Once the adverse impact of the global shocks on the Indian economy is overcome, and the fiscal consolidation is resumed, the debt burden could reduce further.