

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:694  
ANSWERED ON:12.11.2010  
FOREIGN DEBT  
Pratap Narayanrao Shri Sonawane

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

- (a) the total amount of foreign debt of the country at the end of March, 2010;
- (b) whether the amount of such debt is rising;
- (c) if so, the details thereof;
- (d) the reasons for rise in the volume of foreign debts; and
- (e) the corrective measures taken or proposed by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MLNISTRY OF FINANCE (SHW NAMO NARAIN MEENA)

- (a) India`s external debt stood at US\$ 262.3 billion at end-March 2010.
- (b) & (c) India`s external debt was US\$ 224.4 billion at end-March 2008. It increased marginally to US\$ 224.5 billion at end-March 2009 and to US\$ 262.3 billion at end-March 2010.
- (d) & (e) The increase in India`s external debt in 2009-10 is largely attributed to rise in External Commercial Borrowings (ECB), NRI deposits, Special Drawing Rights (SDR) allocated by the International Monetary Fund (IMF) and valuation effect arising from depreciation of the US dollar against major international currencies.

The prudent external debt management policy of the Government of India which, inter alia, focuses on 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, is responsible for maintaining India`s external debt within manageable limits as indicated by the external debt to GDP ratio of 18.9 per cent and debt service ratio of 5.5 percent during 2009-10.