

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 225
TO BE ANSWERED ON 22.07.2025

SHARP RISE IN INDIA'S DEBT

225. Shri Sanjay Raut:

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

- (a) whether per capita external debt has now crossed ₹4.8 lakh, marking an increase of over 23 per cent in the last two years, indicating the total external debt of India as on the latest available date;
- (b) whether Government is aware that in 2014, India's per capita external debt was just ₹21,493, and the reasons for this steep rise in the last decade;
- (c) the key reasons for growing foreign debt dependency and its implications on economic sovereignty; and
- (d) the steps being taken to manage external debt sustainably and reduce the burden on future generations?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): No, As informed by the Reserve Bank of India (RBI), at the end of March 2025, there were around 28 crore unique individual borrowers reported by Transunion CIBIL, a credit information company, vis-a-vis India's population of more than 140 crores. For this unique set of borrowers, RBI has reported in its Financial Stability Report of June 2025 that the per capita debt stood at ₹4.8 lakh in March 2025. This is not same as per capita external debt.

(b) and (c): India's total external debt as of end-March 2014 was USD 446.2 billion (~ ₹26.82 lakh crore), and the per capita external debt was ₹21,305 (using the Ministry of Health and Family Welfare projected population of ~125.9 crore).

The external debt of various nations rises over time as it is associated with increasing investment and productivity. This has been the case in India as well. India has managed its external debt prudently with the overarching objective of keeping the current account deficit within sustainable limits. As per the latest available data as of end-March 2025, India's total external debt stood at USD 736.3 billion (P). The ratio of foreign exchange reserves to total external debt was 90.8 and the ratio of external debt to GDP was 19.1 per cent. These debt vulnerability indicators are benign and indicate that India's external debt remains sustainable and prudently managed.

(d): The prudent external debt management policy of the Government of India has helped in containing the rise in external debt and maintaining a comfortable external debt position. The policy continues to focus on monitoring long and short-term debt, raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings and rationalizing interest rates on Non-Resident Indian deposits.
