

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 2012
TO BE ANSWERED ON 10.03.2026

INDIA'S FOREIGN DEBT

2012 Shri S.R. Sivalingam:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has examined the recent data on India's foreign debt, including its size, composition and exposure to bilateral, multilateral and commercial creditors;
- (b) if so, the details of measures undertaken by Government to manage currency risk, repayment obligations and debt sustainability arising from such external borrowings; and
- (c) the steps proposed to be taken by Government to ensure that rising foreign debt levels remain within prudent limits while safeguarding macroeconomic stability and foreign exchange reserves?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) Yes. The Government regularly monitors and reviews India's external debt, including its size and composition. External debt statistics are collated and published periodically through the Quarterly External Debt Reports and the Annual Status Report on India's External Debt.

As per the latest available data as of end-September 2025, India's external debt stood at USD 746 billion. The composition of external debt by major creditor categories is given below.

<i>(USD Million)</i>	
Item	Gross External Debt as on end-Sep 2025
I. Multilateral	80,774
II. Bilateral	41,162
III. International Monetary Fund	22,687
IV. Trade Credit	2,978
V. Commercial Borrowings	2,94,843
VI. Non-resident Deposits	1,65,799
VII. Rupee Debt	745
VIII. Short-term Debt	1,37,000
Gross External Debt Position (I to VIII)	7,45,986

Source: Quarterly External Debt Report released by the Department of Economic Affairs, Ministry of Finance on 30.12.2025.

(b) and (c) The key external debt vulnerability indicators are benign and indicate that India's external debt levels remain sustainable and prudently managed. As of end-September 2025, India's external debt-to-GDP ratio stood at 19.2 per cent. The ratio of foreign exchange reserves to total external debt remained strong at 93.8 per cent, while short-term debt (original maturity) constituted 18.4 per cent of total external debt. The debt service ratio declined from 6.6 per cent in 2024-25 to 6.0 per cent in 2025-26 (up to September 2025).

The prudent external debt management policy of the Government of India has helped in 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, maintaining a diversified currency composition of external debt, regulating external commercial borrowings and rationalising interest rates on Non-Resident Indian deposits.
