



## Rise of India's External Debt

[Source: TH](#)

India's [External debt](#) increased by **USD 39.7 billion** from March 2023 to reach **USD 663.8 billion** as of end-March 2024.

- **External Debt is money borrowed from a source outside the country**, which needs to be **repaid** in the borrowed currency.
  - It can be obtained from foreign commercial banks, international financial institutions such as the [IMF](#) and the [World Bank](#), and from foreign governments.
- The **external debt-to-GDP ratio** declined from 19.0% at end-March 2023 to **18.7% at end-March 2024**.
- There was a **USD 45.6 billion increase in long-term debt** (maturing in over a year) to reach USD 541.2 billion in March 2024.
  - Proportion of **short-term debt** (maturing in up to a year) **decreased** from 20.6% to 18.5%.
  - The ratio of short-term debt to [forex reserves](#) declined from 22.2% to **19%**.
- India's external debt as of March 2024 was primarily in **US Dollars (53.8%)**, followed by Indian rupees (31.5%), yen (5.8%), [SDR](#) (5.4%), and euro (2.8%).
  - There was an **increase in debt** of both **government and non-government sectors**.
- [Non-financial corporations](#) held the **highest share** of outstanding debt (37.4%) followed by deposit-taking corporations (except the central bank) (28.1%), general government (22.4%) and other financial corporations (7.3%).
- **Loans** constitute **33.4% of external debt**, followed by **currency and deposits (23.3%)**, **trade credit and advances (17.9%)**, and **debt securities (17.3%)**.

**Read more:** [Debt Sustainability and Exchange Rate Management](#)

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