

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2521  
ANSWERED ON:09.12.2005  
INTERNAL AND EXTERNAL DEBTS  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether both internal and external debts are at a galloping rate;
- (b) if so, the details thereof during each of the last three years;
- (c) the interest paid thereon during each of the last three years; and
- (d) the steps taken by the Government to reduce the internal and external debts?

**Answer**

Minister of State in Ministry of Finance (SHRI S.S. PALANIMANICKAM)

(a),(b)& (c): The stock of internal debt on Central Government account and India's total external debt together with interest paid thereon during the last three years are given in the following Table.

Table: Internal and External debt of India

	Debt Outstanding	Increase	over Interest
the year	Paid		
A. Internal debt of Central Government (RS. Crore)			
2002-03	10,20,689	1,07,628	98,555
2003-04	11,41,706	1,21,017	1,03,123
2004-05 (RE)		12,70,272	1,28,566 1,00,399

B. India's Total External debt (US\$ million)

2002-03	104,958	6,115	3,708
2003-04	111,715	6,757	4,401
2004-05 (P)		123,454	11,739 3,746

RE: Revised Estimate, P: Provisional

(d) Government has been following the policy of fiscal prudence which aims at higher tax revenues and moderation in the growth of non-plan expenditure so as to reduce the revenue deficit and gross fiscal deficit thereby containing borrowings. Government is committed to eliminating revenue deficit and moderating public debt in a time-bound manner. Similarly, prudent external debt management policies pursued by the Government have helped in maintaining a comfortable external debt position. These policies include emphasis on raising funds on concessional terms with longer maturities, close monitoring of short-term debt, prepaying high cost loans and encouraging non-debt creating capital flows.