Debt-GDP Movement

Most of India's earlier debt-ratio reduction was reversed by March 2026, on IMF estimates.

16.27 percentage points: Centre-and-states debt/GDP rose from March 2014 to March 2026, following a 17.89-point fall from March 2004 to March 2014.

The October 2026 IMF WEO places India's Centre-and-states gross debt at 85.88% of GDP in March 2004, 67.99% in March 2014 and an estimated 84.26% in March 2026. The first interval spans ten years and the second twelve. Both changes use the same IMF vintage. They describe the debt ratio across those endpoints.

What the ratio means

Government debt is money that government still owes. Dividing it by GDP, the value of the country's annual production, shows its size relative to the economy. The India IMF series covers Centre and states. Percentage points measure the difference between percentage ratios. A fall in debt/GDP does not, by itself, mean that the rupee amount owed fell.

The main comparison and the current position

The main comparison runs from end-March 2004 to end-March 2014, then from end-March 2014 to end-March 2026: ten years followed by twelve years. The final endpoint is the October 2026 IMF estimate for FY2025/26. The following FY2026/27 projection closes in March 2027 and is shown separately.

The current Centre-only interest bill remains supporting evidence: it uses 39.7% of revenue receipts in the FY2026/27 Budget and 37.6% in FY2025/26 provisional accounts. The main argument is the historical change in liabilities relative to GDP.

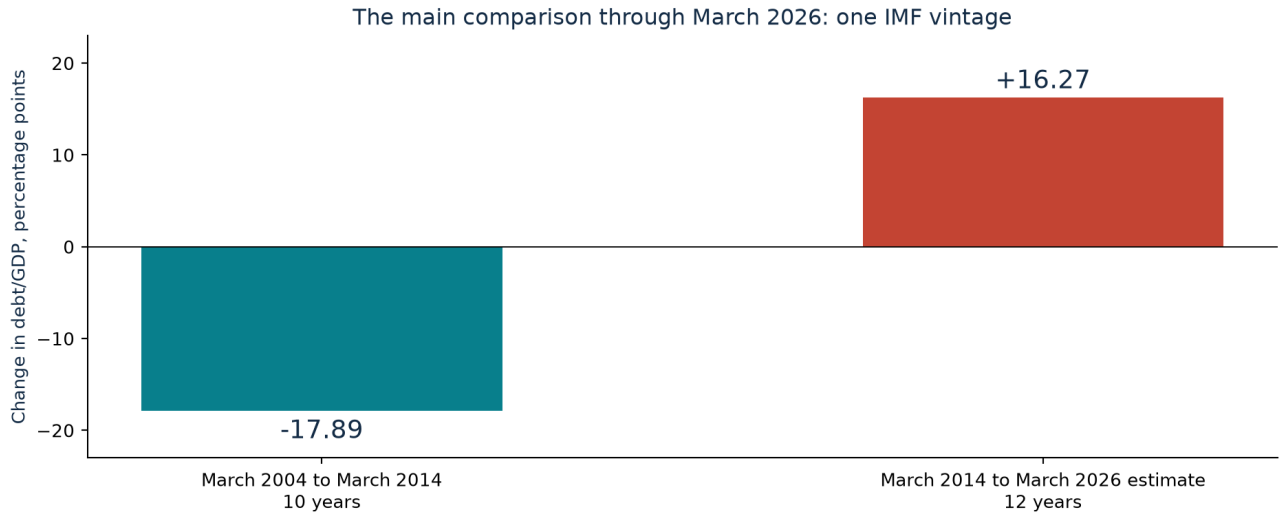
[1] Sources: IMF WEO, Oct 2026, Countries, India gross debt / GDP, source years 2003, 2013 and 2025; FY(t/t+1)=CY(t). The historical values are IMF staff estimates and the latest value is an estimate, not an audited final outcome. Current interest sources: Union Budget 2026/27, Feb 2026, Budget at a Glance PDF p5, rows 1/11, Finance Ministry FY2025/26 provisional accounts, 1 Jun 2026, receipts/interest. A separate RBI companion retains its own history and 2026 Budget Estimate. Both include states and do not isolate one government's causal effect.

Public Summary. Contents: Debt-GDP Movement (1); 2004-2014 versus 2014-2026 (2); The RBI companion also reaches March 2026 (3); Debt arithmetic and the current interest bill (4); The debt reversal and the cost to Indians (5); Primary sources (6).

2004-2014 versus 2014-2026

India's Centre-and-states gross debt/GDP rose 16.27 percentage points from March 2014 to March 2026, on the October 2026 IMF estimate. That increase reversed most of the 17.89-point fall from March 2004 to March 2014. The ratios were 85.88%, 67.99% and 84.26%, respectively. The comparison is ten years before March 2014 against twelve years afterwards.

One October 2026 WEO vintage	March 2004 %	March 2014 %	2004-2014: 10 years, pp	March 2026 estimate %	2014-2026: 12 years, pp
IMF Centre + states gross debt / GDP	85.88	67.99	-17.89	84.26	+16.27



Source: IMF WEO, 13 October 2026, IND.GGXWDG_NGDP; India covers Centre and states.
WEO source years 2003, 2013 and 2025 mean FY2003/04, FY2013/14 and FY2025/26. March 2026 is an estimate.
Levels: 85.883%, 67.991%, 84.261%. Periods are 10 and 12 years; RBI values are not spliced into this chart.

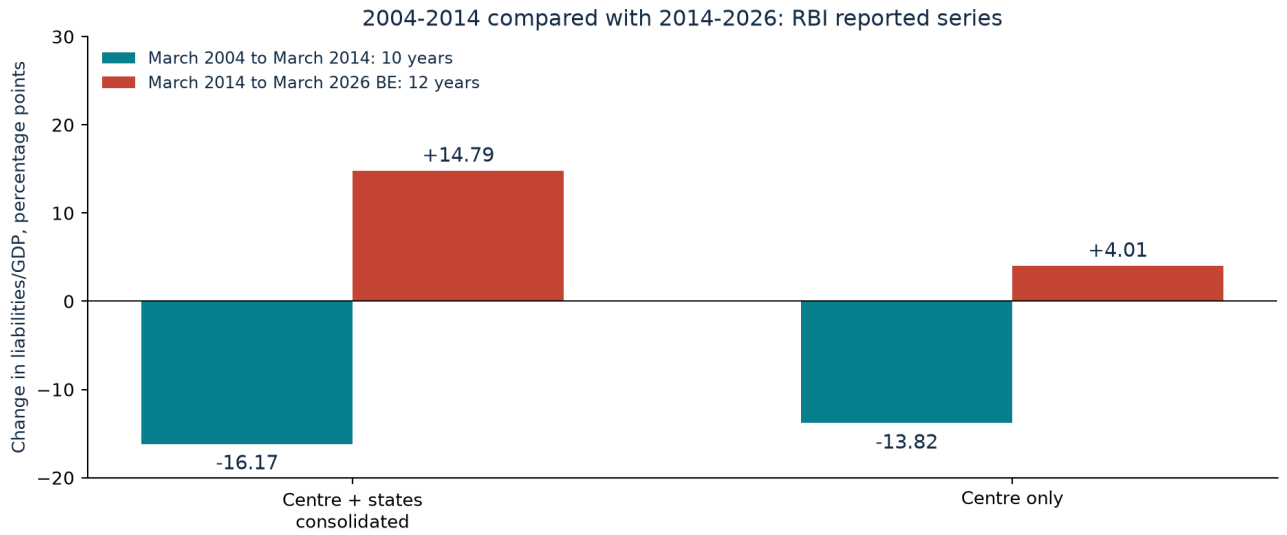
The main comparison is March 2004 to March 2014 versus March 2014 to March 2026: ten years against twelve years. Changes are endpoint differences in percentage points, not annual rates or cumulative investment returns. The separate growth-and-interest reconstruction retains its two ten-year historical windows because its matched historical gross-interest inputs stop earlier.

[2] Sources: IMF WEO, Oct 2026, Countries, IND.GGXWDG_NGDP.A. India source years 2003, 2013 and 2025 close in March 2004, 2014 and 2026. Changes use unrounded ratios: 67.991 - 85.883 = -17.892; 84.261 - 67.991 = +16.270 percentage points. Period lengths are ten and twelve years. Annual average changes are -1.79 and +1.36 points; these are changes in a ratio, not compounded growth rates. State inputs lag; no sole-government causal estimate is made.

The RBI companion also reaches March 2026

The RBI series makes the same 2004-2014 versus 2014-2026 comparison on its own reported basis. Its March 2026 endpoint is a Budget Estimate in the July 2026 publication, rather than a final outturn. It is kept separate from the IMF estimate.

RBI liabilities / GDP	March 2004 %	March 2014 %	10-year change, pp	March 2026 BE %	12-year change, pp
Centre + states, consolidated	83.23	67.06	-16.17	81.85	+14.79
Centre only	65.98	52.16	-13.82	56.17	+4.01



Source: RBI Handbook 2025/26, 31 July 2026, Table 240 (printed p411). March 2026 is a Budget Estimate.
Periods are 10 and 12 years; total changes are not equal-duration comparisons. Reported series; accounting notes apply.

The RBI companion uses its own published liabilities series. Combined Centre-and-states liabilities/GDP fell from 83.23% in March 2004 to 67.06% in March 2014, then stood at a Budget Estimate of 81.85% for March 2026. The changes are -16.17 and +14.79 percentage points. Centre-only ratios were 65.98%, 52.16% and a Budget Estimate of 56.17%, giving changes of -13.82 and +4.01 points. The first interval spans ten years and the second twelve. The combined line includes state governments under different parties; these movements do not isolate one government's causal effect.

[3] Sources: RBI, Handbook of Statistics on the Indian Economy 2025/26, 31 July 2026, Table 240, printed p411 / PDF p1, columns 4 and 7 and notes. Rows FY2003/04, FY2013/14 and FY2025/26 BE; Table 240 note 6 specifies Budget 2025/26 GDP for FY2025/26 BE. Ten years versus twelve years. No endpoint from this table is spliced into the IMF series.

Debt arithmetic and the current interest bill

Government debt is the amount still owed. GDP measures the value of goods and services produced during a year. Debt divided by GDP compares the debt stock with the economy's size. Nominal GDP growth measures growth at current prices, including changes in output and prices. When this growth exceeds the average interest cost on existing debt, that debt tends to shrink relative to GDP. A primary deficit can offset this help. In this gross-interest calculation, a primary surplus is revenue minus spending excluding gross interest; a negative result is a primary deficit. The government also needs cash when principal, the original amount borrowed, falls due. A falling debt ratio can therefore coexist with pressure on the annual budget.

Closing date	IMF gross debt / GDP %	October 2026 vintage
March 2024	84.749	Historical IMF estimate
March 2025	84.805	Historical IMF estimate
March 2026	84.261	IMF estimate

Centre interest / revenue	FY2025/26	FY2026/27
Share of revenue receipts	37.6%	39.7%
Status	Provisional / unaudited	Budget Estimate

The Centre's current interest burden is a separate supporting concern. Interest takes 39.7% of revenue receipts in the FY2026/27 Budget Estimate, against 37.6% in the FY2025/26 provisional, unaudited accounts. Revenue receipts here mean tax retained after the states' share plus non-tax revenue; borrowing and capital receipts are excluded. These Centre-only shares cannot be joined to the historical Centre-and-states interest/revenue series. The Budget's planned borrowing-cost and growth illustration remains dated to February 2026 and is not the latest observed effective rate.

The interest-growth gap is an annual measure. The main comparison instead measures the change in the debt/GDP ratio across ten years and twelve years. Neither is a ten-year bond return. A favourable gap can still be outweighed by a primary deficit or other debt-creating flows.

[4] Sources: IMF FPP, Dec 2025, data sheet, IMF WEO, Oct 2026, Countries, ECB Economic Bulletin, 2019 issue 2, debt dynamics for the debt identity and the separate historical reconstruction. Union Budget 2026/27, Feb 2026, Budget at a Glance PDF p5, rows 1/11, Finance Ministry FY2025/26 provisional accounts, 1 Jun 2026, receipts/interest, FRBM statement, Feb 2026, PDF p10 for current Centre evidence. The main debt stock comparison reaches March 2026. Older cost-growth means remain labelled supporting context in the full reports; the BRICS and rich-country annual ledger covers 2003-2026.

The debt reversal and the cost to Indians

The October 2026 IMF estimate places India's Centre-and-states debt/GDP 16.27 percentage points above March 2014 by March 2026, reversing most of the 17.89-point fall between March 2004 and March 2014. The first interval spans ten years and the second twelve. Separately, the Centre's FY2026/27 Budget commits 39.74% of revenue receipts to interest.

Finding	Why it matters
The earlier improvement reversed.	The October 2026 IMF vintage shows a 17.89-point fall in Centre-and-states debt/GDP from March 2004 to March 2014, followed by a 16.27-point rise to its March 2026 estimate. The two intervals span ten and twelve years.
The rise began before COVID.	Between March 2014 and March 2019, the combined ratio rose by 3.47 points while the Centre-only ratio fell from 52.16% to 49.62%.
The growth cushion narrowed.	The annual growth-over-cost cushion fell from 7.18 to 2.77 points between the two ten-year windows in the report's cross-vintage reconstruction.
The financing mechanism differs.	Rupee borrowing places the cost within India's fiscal and monetary system. France shares the euro and ECB monetary policy. Neither arrangement removes the public cost of interest.

[5] Sources: IMF October 2026 WEO, India debt/GDP, 2003/2013/2025 source-year cells; RBI Handbook 2025/26, 31 July 2026, Table 240, pre-COVID companion; IMF India Article IV, November 2025, Annex V, printed p56; French Treasury debt report, 6 October 2026; ECB intervention eligibility, 21 July 2022. Accounting and GDP changes limit causal attribution.

France's Treasury projects general-government interest rising from 2.2% of GDP in 2025 to 3.7% in 2030. India's interest bill also puts pressure on public spending. Each burden must retain its own denominator, date and estimate label because the measures differ.

[6] Sources: CGA FY2026/27 Budget column: Rs 14,03,972 crore / Rs 35,33,150 crore x 100. Historical means use the report's cross-vintage FPP/WEO reconstruction, with two equally weighted ten-year windows.

[7] Sources: Historical general-government interest/revenue means were 25.71% and 25.15%, a slight fall; they cannot be joined to the current Centre-only share. The pandemic jump and later decline remain part of the historical path. The evidence describes deterioration after 2014, not an uninterrupted 26-year rise or imminent default.

Primary sources

[8] Sources: IMF WEO, Oct 2026, Countries, October 2026 WEO, India gross debt / GDP: source years 2003/2013/2025 close in March 2004/2014/2026. The March 2026 endpoint is an estimate. RBI1 is a separate reported-liabilities companion with a 2026 Budget Estimate.

S1. IMF, Public Finances in Modern History, December 2025 workbook
Open dated primary source

S3. IMF World Economic Outlook, October 2026, Countries workbook
Open dated primary source

S4. World Bank, Fiscal Space, Spring 2026 release
Open dated primary source

S8. ECB Economic Bulletin, debt dynamics, 2019 issue 2
Open dated primary source

E2. IMF Brazil 2026 Article IV, July 2026
Open dated primary source

E3. IMF China 2025 Article IV, published February 2026
Open dated primary source

E4. IMF India 2025 Article IV, November 2025
Open dated primary source

E5. South Africa National Treasury, MTBPS, 21 October 2026
Open dated primary source

E6. India Budget at a Glance 2026/27, February 2026
Open dated primary source

E7. India Ministry of Finance, FY2025/26 provisional accounts, 1 June 2026
Open dated primary source

E9. India FRBM fiscal policy statements, February 2026
Open dated primary source

P1. RS USQ 243, 2026-07-21
Open dated primary source

P3. LS USQ 3499, 2026-08-10
Open dated primary source

P8. MoSPI NAS2026 publication release, 2026-08-31
Open dated primary source

RBI1. RBI Handbook2025/26, 31 July2026, Table240
Open dated primary source

RBI2. RBI Handbook2025/26, 31 July2026, Table104
Open dated primary source

[9] Sources: The main periods are 2004-2014 and 2014-2026, lasting ten and twelve years. No default, debt trap, hidden debt or cut to a named service is inferred.