

ANNEX -5

DEBT POSITION OF THE GOVERNMENT OF INDIA

The outstanding internal and external debt and other liabilities of the Government of India at the end of 2013-2014 is estimated to amount to ₹ 56,51,484.22 crore, as against ₹ 50,39,131.01 crore at the end of 2012-2013 (RE). Broad details are as follows:-

(In crores of Rupees)

	As on 31 st March 2013	As on 31 st March 2014
Internal debt and other liabilities	48,66,829.00	54,68,622.11
<i>of which under Market Stabilisation Scheme</i>	...	20,000.00
External debt	1,72,302.01	1,82,862.11
Total	50,39,131.01	56,51,484.22

Internal Debt comprises loans raised in the open market, special securities issued to Reserve Bank, compensation and other bonds, etc. It also includes borrowings through treasury bills including treasury bills issued to State Governments, commercial banks and other parties, as well as non-negotiable, non-interest bearing rupee securities issued to international financial institutions viz., the International Monetary Fund, International Bank of Reconstruction and Development, International Development Association, International Fund for Agricultural Development, African Development Fund/Bank and Asian Development Bank. An analysis of the public debt outstanding at the beginning of the First Five Year Plan and close of each year from 2007-2008 to 2011-2012 and that estimated to be outstanding at the close of 2012-2013 and 2013-2014 is given in the **Statement of Liabilities**. Government of India has launched Market Stabilisation Scheme (MSS), in consultation with Reserve Bank of India, since April, 2004. The scheme envisages issue of treasury bills and/or dated securities to absorb excess liquidity, arising largely from significant foreign exchange inflows. During 2012-13, as per the MoU signed between Central Government and RBI, the ceiling of outstanding liabilities at any given time (face value of dated securities plus discounted value of treasury bills) has been kept at ₹ 50,000 crore. However, net issuance for the year has been estimated at ₹20,000 crore in BE 2013-14. The estimated outstanding liabilities under MSS in respect of market loans, 91/182/364 days Treasury Bills are separately reflected in the Statement of Liabilities. A further MoU signed between the Central Government and RBI to amend the MoU relating to MSS enables, on mutual agreement between the Government of India and the RBI, the transfer of a part of the amount in the MSS Cash Account to the normal Cash Account as part of the Government's market borrowing programme for meeting Government's approved expenditure. The amount outstanding both under internal and external debt reflect the liability of Government as represented by the book value of the outstanding debt. The outstanding stock of external liabilities is reckoned at historical rates of exchange on which the liability was initially accounted for in the books of accounts after netting the repayments made at current exchange rates.

In addition, Government is liable to repay the outstanding against the various Small Savings schemes, Provident Funds, securities issued to Industrial Development Bank of India, Unit Trust of India and Nationalised Banks, Oil marketing companies, Fertilizer companies, Food Corporation of India and deposits under the Special Deposit Scheme and depreciation and other interest bearing reserve funds of departmental commercial undertakings, etc., deposits of local funds and civil deposits. Details of such liabilities are also shown in the Statement of Liabilities.

The position of guarantees given by the Government of India as at the end of 2011-12, as envisaged under Rule 6 of the FRBM Rules, 2004, is given in the Statement on Guarantees.

A statement of Asset Register as on March 31 2012 as envisaged under Rule 6 of the FRBM Rules has also been included.

Statement of Assets shows the extent to which the money raised by Government has been utilized for asset formation purposes. These assets are also shown at book value i.e., it does not take into account depreciation/appreciation in the value of assets as per current market rates. This statement includes only assets the ownership of which vests in Central Government, and it excludes assets created by State Governments and non-Government bodies from grant assistance from Central Government.

The receipts from borrowings under MSS are being held as cash balance in a separate and identifiable account with RBI. These receipts are not available to meet any expenditure of the Government, other than repayment of treasury bills/dated securities issued under MSS. Accordingly, the estimates of cash balance under MSS have been shown separately in the Statement of Assets.