

ANNEXURE 3

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 2005-2006 is estimated to amount to Rs.2231586.36 crore, as against Rs.1981214.45 crore at the end of 2004-2005 (RE). Broad details are as follows:-

(In crores of Rupees)

	As on 31st March 2005	As on 31st March 2006
Internal debt and other liabilities	1926855.32	2168371.39
<i>of which under Market Stabilisation Scheme</i>	65481.00	80500.00
External debt	54359.13	63214.97
Total	1981214.45	2231586.36

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 14 days treasury bills, issued to State Governments only, 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 for 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 2000-2001 to 2003-2004 and that estimated to be outstanding at the close of 2004-2005 and 2005-2006 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 2004-05, as per the MoU signed between Central Government and RBI, the initial ceiling of Rs.60,000 crore of outstanding liabilities at any given time was increased to Rs.80,000 crore (face value of dated securities plus discounted value of treasury bills). 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. The amounts 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 outstandings against the various Small Savings schemes, Provident Funds, securities issued to Industrial Development Bank of India, Unit Trust of India and nationalised banks, 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.

Statement of Assets shows the extent to which the money raised by Government has been utilised 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.

STATEMENT OF LIABILITIES OF THE CENTRAL GOVERNMENT

(In crores of Rupees)

At the end of :

	Accounts					Revised 2004-2005	Budget 2005-2006
	1950-51	2000-2001	2001-2002	2002-03	2003-2004		
A. Public Debt	2054.33	869642.86	984606.91	1080300.85	1187830.07	1324631.54	1469739.91
1. Internal Debt	2022.30	803697.63	913061.12	1020688.79	1141705.58	1270272.41	1406524.94
<i>of which under MSS</i>	...	...	...	...	...	65481.00	80500.00
(i) Under Market Stabilisation Scheme							
(a) Dated Securities					...	25000.00	22000.00
(b) 91 days Treasury Bills					...	19500.00	19500.00
(c) 182 days Treasury Bills					...	...	13000.00
(d) 364 days Treasury Bills					...	20981.00	26000.00
(ii) Market Loans (vide Annexure 4)	1444.95	428792.87	516517.48	619105.46	707965.23	758999.26	870835.75
(iii) 91 days Treasury Bills	358.02	1875.76	5046.64	9672.88	7184.43	7184.43	7184.43
(iv) 91 days Treasury Bills funded into Special Securities	...	101817.95	101817.95	61817.95	...	...	...
(v) Spl. Securities converted into Marketable Securities (vide Annexure 4A)	...	20000.00	20000.00	55000.00	116817.95	111817.95	103817.95
(vi) Other Special Securities issued to Reserve Bank	...	2080.43	3221.74	3595.95	3595.95	1867.23	1868.23
(vii) 14 days Treasury Bills	...	4047.77	2494.27	5628.04	7253.23	7253.23	7253.23
(viii) 182 days Treasury Bills	...	2800.00	3000.00	3000.00	...	...	6500.00
(ix) Ways and Means Advances	...	5395.00	5176.00	...	...	...	...
(x) 364 days Treasury Bills	...	13496.09	16584.16	23122.45	26131.62	26040.62	25995.62
(xi) Gold Bonds 1998	...	...	...	...	...	...	...
(xii) Compensation and other bonds	6.73	7277.55	14380.86	27624.22	48347.08	66619.85	74308.49
(xiii) Securities issued to International Financial Institutions	212.60	22598.15	22551.41	23616.81	22139.48	21388.23	21630.63
(xiv) Securities against Small Savings	...	193516.06	202270.61	188505.03	202270.61	203620.61	206630.61
2. External Debt*	32.03	65945.23	71545.79	59612.06	46124.49	54359.13	63214.97
B. Other Liabilities	811.07	298898.16	381801.51	478900.51	548848.33	656882.91	762146.45
1. National Small Savings Fund	336.87	54619.62	98617.28	175885.41	232971.17	321421.17	412211.17
2. State Provident Funds	95.05	41723.74	45894.43	50515.48	55407.01	59407.01	64407.01
3. Other Accounts	16.10	144019.61	164156.95	172373.55	168094.20	173580.90	169215.37
(i) Special Deposits of Non-Government Provident Funds, etc.	...	103865.99	111388.98	120125.00	119748.13	119748.13	119748.13
(ii) Other items	16.10	40153.62	52767.97	52248.55	48346.07	53832.77	49467.24
4. Reserve Funds and Deposits	363.05	58535.19	73132.85	80126.07	92375.95	102473.83	116312.90
(i) Bearing interest	260.85	28123.50	31148.67	37125.79	46577.12	55779.50	60472.39
(ii) Not bearing interest	102.20	30411.69	41984.18	43000.28	45798.83	46694.33	55840.51
Total -Liabilities	2865.40	1168541.02	1366408.42	1559201.36	1736678.40	1981514.45	2231886.36
Amount due from Pakistan on account of share of pre-partition debt (approx.)	-300.00	-300.00	-300.00	-300.00	-300.00	-300.00	-300.00
Net Liabilities of the Central Government	2565.40	1168241.02	1366108.42	1558901.36	1736378.40	1981214.45	2231586.36
Excess of Capital Outlay and Loans over Liabilities	...	...	...	...	...	...	...
Total (Net)	2565.40	1168241.02	1366108.42	1558901.36	1736378.40	1981214.45	2231586.36

* Balances are according to book value.

STATEMENT OF ASSETS
(Capital Investments and Loans by the Central Government)

(In crores of Rupees)

At the end of :

	Accounts					Revised 2004-2005	Budget 2005-2006
	1950-51	2000-2001	2001-2002	2002-03	2003-2004		
A- Capital Outlay							
1. General Services	496.74	117810.87	135632.77	151980.93	170757.06	206734.85	244451.76
(i) Defence Services	260.93	107994.27	124201.18	139154.03	156016.64	189499.49	223874.63
(ii) Other General Services	235.81	9816.60	11431.59	12826.90	14740.42	17235.36	20577.13
2. Social Services	26.25	10211.04	6887.65	7844.45	8949.64	9889.39	10651.96
3. Economic Services	965.02	209907.81	226981.42	240268.54	254016.07	269937.62	293647.67
(i) Agriculture and Allied Activities	7.78	7508.28	7562.16	7631.28	7706.07	7904.82	8267.91
(ii) Rural Development	...	20.39	22.38	24.37	25.15	25.15	25.15
(iii) Special Areas Programme	...	2008.90	2356.12	2554.29	2767.32	4256.79	6412.31
(iv) Water and Power Development	5.59	...	...	...	...	...	...
(a) Irrigation & Flood Control	...	259.81	272.19	286.52	298.64	309.82	324.56
(b) Energy	...	42588.58	46128.31	48967.24	51074.02	53768.63	55986.62
(v) Industry and Minerals	34.34	34337.83	36358.97	37296.21	37424.76	38756.50	40361.15
(vi) Transport							
(a) Railways	817.93	35660.87	41038.03	46651.75	53566.66	62022.66	68542.66
(b) Other Transport Services	12.47	22425.71	25582.80	28867.61	32213.15	35802.30	42165.08
(vii) Communication							
(a) Postal Services	49.98	814.48	872.41	914.66	963.03	1127.01	1435.24
(b) Telecommunications Services	...	4425.84	5001.27	5083.81	4603.39	4603.39	4603.39
(c) Other Communication Services	...	118.50	118.50	60.73	586.39	622.53	641.86
(viii) Science and Technology and Environment	...	3792.82	4366.92	4850.14	5545.44	6466.88	7728.76
(ix) General Economic Services	36.93	55945.80	57301.36	57079.93	57242.05	54271.14	57152.98
Disbursements of UT's	...	...	...	...	...	296.10	643.74
Grand Total	1488.01	337929.72	369501.84	400093.92	433722.77	486857.96	549395.13
B- Loans advanced by the Central Government, net of loan recovery							
State Governments	195.58	218379.88	228901.80	227342.98	192981.23	160753.13	151065.94
Union Territory Governments	...	5010.58	5013.79	4500.36	3141.59	3376.88	3270.43
Foreign Governments	0.01	1251.12	1485.60	2198.47	2692.30	3158.43	3585.76
Investment in special securities of States under National Small Savings Fund	...	60201.70	95219.86	147481.34	215123.29	298773.29	385763.29
Public Sector Enterprises, Railway Development & Revenue Reserve Funds, Posts & Telegraphs Revenue Reserve Fund, Port Trusts, Municipalities and Statutory bodies, Co-operative & Educational Institutions, Displaced persons and Private Institutions, etc	24.58	51715.57	58063.44	56640.71	53444.34	63470.04	66538.01
Government Servants	0.51	2092.55	2406.12	2509.91	2452.21	2527.21	2477.21
TOTAL	220.68	338651.40	391090.61	440673.77	469834.96	532058.98	612700.64
TOTAL- Capital Outlay and Loans Advanced by the Central Government	1708.69	676581.12	760592.45	840767.69	903557.73	1018916.94	1162095.77
C- Cash balances under MSS	...	...	...	...	...	65481.00	80500.00
GRAND TOTAL	1708.69	676581.12	760592.45	840767.69	903557.73	1084397.94	1242595.77
<i>Excess of Liabilities over Capital Outlay and Loans Advanced including cash balances under MSS</i>							
	856.71	491659.90	605515.97	718133.67	832820.67	896816.51	988990.59
Total	2565.40	1168241.02	1366108.42	1558901.36	1736378.40	1981214.45	2231586.36