

**Public Debt and Other Liabilities of Governments:
Disclosure Requirements**

CONTENTS

Indian Government Accounting Standard (IGAS) 10

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**ED 10: Public Debt and Other Liabilities of Governments:
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The Standard, which has been set in bold italic type, should be read in the context of the explanatory paragraphs in this Standard, which are in plain type and in the context of the “Preface to Indian Government Accounting Standards”. The Indian Government Accounting Standards are not intended to apply to immaterial items.

Introduction

1. In terms of Article 292 of the Constitution, the executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by Law. Article 293(1) of the Constitution provides a similar provision in respect of State Governments. Section 48A(1) of the Government of Union Territory Act 1963 and Section 47A(1) of Government of NCT of Delhi Act 1991, also provides for borrowing upon the security of the Consolidated Fund of the Union Territory concerned or Consolidated Fund of the Capital within such limits, if any, as may be fixed by Parliament by law and the stipulations indicated therein.

Objective

2. The objective of the IGAS is to lay down the principles for identification, measurement and disclosure of public debt and other obligation of Union and the State Governments including Union Territories with legislatures in their respective financial statements. It ensures consistency with international practices for accounting of public debt in order to ensure transparency and disclosure in the financial statements of Government for the benefit of various stake holders.

Scope

3. The proposed IGAS shall apply to the financial statements prepared by the Union and State Governments and Union Territories with legislature. The IGAS shall also cover “other obligations” as defined in paragraph 4 of this Standard relating to definitions. The IGAS shall not include in its ambit, guarantees and other contingent liabilities and non-binding assurances.

Definitions

4. *The following terms used in this standard shall have the meaning as specified hereunder, unless the context otherwise requires:-*

Accounting Authority means the authority who prepares the Financial Statements of the Governments.

Accounting Period means the period covered by the Financial Statements.

Cash Basis of accounting is that wherein accounting transactions of the Union Government, State Government and Government of Union Territory with legislature represent the actual cash receipts and disbursement during a financial year as distinguished from the amounts due to or by the relevant Government, subject to the exceptions as may be authorized under the Government Accounting Rules 1990 or by any general or special orders issued by the Central Government on the advice of the Comptroller & Auditor General of India.

Consolidated Fund of India is the fund referred to in Article 266(1) of the Constitution of India.

Consolidated Fund of a State is the fund referred to in Article 266(1) of the Constitution of India.

Consolidated Fund of Union Territories with Legislature is the fund referred to in Section 47(1) of the Union Territories Act, 1963 and Section 46(1) of the Government of National Capital Territory of Delhi Act, 1991.

Public Account of India is the fund referred to in Article 266(2) of the Constitution of India.

Public Account of a State is the fund referred to in Article 266(2) of the Constitution of India.

Public Account of Union Territory is the Public Account referred to in Section 47A (1) and Section 46A (1) of the Government of Union Territories Act, 1963 and the Government of National Capital Territory of Delhi Act, 1991 respectively.

Financial Statements means the Annual Finance Accounts of the Union Government, State Governments and Union Territories with legislature. It would also include appropriate statements, schedules and notes to the above statements.

Government means the Union Government or any State Government or Government of any Union Territory with Legislature.

Face Value is the contract value of the Public Debt or other obligations.

Public Debt includes internal and external debts of the Central Government, State Governments and Government of the Union Territory with legislature, as applicable.

“Other obligations” refers to the net outcome of the receipt and payment transactions arising in the public account. It does not include transactions categorized as Remittances, Suspense and Miscellaneous and Cash Balance.

Measurement & Valuation

5. *The Public Debt and Other Obligations incurred by Governments shall be accounted and reported on the basis of Face Value. For the purpose of reporting external debt, changes in the Balance at the end of the Accounting Period arising from variations in the rate of exchange shall also be reported.*

Disclosure

6. *The financial statements of the Union Government, State Governments and the Union Territories with legislature shall disclose the following details concerning Public Debt and other obligations:-*
 - (a) *the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to internal debt;*
 - (b) *the opening balance, additions and discharges during the year, closing balance and net change in rupee terms with respect to external debt, wherever applicable;*
 - (c) *the opening balance, receipts and disbursements during the year, closing balance and net change in rupee terms with respect of other obligations.*
7. *The Financial Statements of the Union Government and the State governments shall disclose the following details regarding servicing of debt and related parameters for the current year, preceding year and net change in rupee terms with respect to –*
 - (a) *Interest paid by the governments on public debt, small saving, provident funds, and reserve funds and on other obligations.*
 - (b) *Interest received on loans to State and Union Territory Governments, departmental Commercial Undertakings, PSUs and other Undertaking including Railways, Post & Telegraph.*
 - (c) *Interest received on other Loans, from investments of cash balances and other items.*
8. *External debt of the Central Government shall be classified according to source indicating the currency of transaction. Measurement of face value shall be in respect of both the currency of agreement and Indian rupees. It should also disclose the outstanding in terms of exchange rate prevailing at the end of the accounting period.*

Effective date

9. This Indian Government Accounting Standard becomes effective for the Financial Statements covering periods beginning on 1st April of the year after the notification of the Standard by the Government.

Format for disclosure

10. The formats for the disclosures in the form of Tabular Statements indicated in Annexure 1 are illustrative in nature. The purpose of these Statements is to illustrate the application of the Standard to assist in clarifying its meaning. The use of the formats in the same form in Finance Accounts is not envisaged.

Annexure 1

STATEMENT NO.1 SUMMARY OF DEBT POSITION

(a) Statement of Public Debt and Other Liabilities

(In crores of rupees)

Nature of Borrowings	Balance on 1 st April 20x1	Receipts during the year	Repayments during the year	Balance on 31 st March 20x2	Net Increase/Decrease
					In Rs.
1	2	3	4	5	
PUBLIC DEBT					
Consolidated Fund					
Internal Debt					
- Market Loans					
- Treasury Bills					
- Securities issued to International Financial Institutions					
- Bonds					
- Ways and Means Advances					
- Special Central Government Securities against Small Savings					
- Others					
External Debt*					
- Loans from Foreign countries					
- Loans from Multilateral Agencies and other Institutions					
- Others					
OTHER LIABILITIES					
Public Accounts					
- Small Savings, Provident Funds, etc.					
- Reserve Funds bearing interest					
- Reserve Funds not bearing interest					
- Deposits bearing interest					
- Deposits not bearing interest					

* Computed at historical exchange rates

(b) Statement showing Servicing of Debt and related parameters

(In crores of rupees)

	20x1-20x2	20xx-20x1	Net increase/decrease
			In Rs.
(i) Interest paid by Governments- (a) On Public Debt and Small Savings, Provident Funds (b) Interest on Reserve Funds (c) On other Obligations			
GROSS INTEREST			
(ii) Deduct- (a) Interest received on Loans to State and Union Territory Governments (b) Interest from Departmental Commercial Undertakings, Public Sector Undertakings and other undertakings including Railways and Posts and Telegraphs (c) Interest received on other loans, from investment of cash balances and other items			
NET INTEREST			
Percentage of gross interest to the total revenue receipts [.....] Percentage of net interest to the total revenue receipts [.....]			

STATEMENT NO.2
Statement showing details of Foreign Loans

Sl No	Name of Country/ Institutions (Foreign currency indicated in brackets)	Outstanding balance on 1.4.20x1	Additions during 20x1-20x2	Repayments during 20x1-20x2	Outstanding balance as on 31.3.20x2	Outstanding balances as on 31.3.20x2 (In crores of rupees)	Outstanding balances as on 31.3.20x2 (In crores of rupees)	Exchange Rates adopted 31.3.20x2
		(Donor Currency in thousands at Historical Value)				(Expressed in terms of Historical Value)	(Converted at Current Exchange Rate)	
1.	Austria (Euro) etc.							
	TOTAL							

STATEMENT NO.3
STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES UNDER HEADS
OF ACCOUNT RELATING TO DEBT, DEPOSITS, REMITTANCES AND
CONTINGENCY FUND

(In thousands of rupees)

Major/Minor head of account	Opening balance as on 1.4.20x1	Receipt	Disbursement	Closing balance as on 31.3.20x2
PART I – CONSOLIDATED FUND				
Receipt Heads (Revenue Account)(A)				
Receipt Heads (Capital Account)(A)				
Expenditure Heads (Revenue Account)(A)				
Expenditure Heads (Capital Account)(A)				
TOTAL – E – Public Debt				
F – Loans and Advances				
G – Inter-State Settlement				
7810 – Inter-State Settlement				
TOTAL – Consolidated Fund				
PART II – CONTINGENCY FUND				
8000 – Contingency Fund				
PART III – PUBLIC ACCOUNT				
I – Small Savings, Provident Funds etc.,				
J – RESERVE FUNDS –				
(a) – Reserve funds bearing Interest –				
8115 – Depreciation/Renewal Reserve Funds, etc.				
TOTAL – Reserve Funds Bearing Interest				
(b) – Reserve Funds not Bearing Interest				
8223 - Famine Relief Fund, etc.				
TOTAL – Reserve Funds Not Bearing Interest				
TOTAL – J – Reserve Funds				
K – DEPOSITS AND ADVANCES –				
(a) – Deposits bearing Interest –				
8336 – Civil Deposits, etc.				
TOTAL – DEPOSITS BEARING INTEREST				
(b) – Deposits not bearing interest				
8443 - Civil Deposits, etc.				
TOTAL – DEPOSITS NOT BEARING INTEREST				
(c) – Advances				
8550 - Civil Advances, etc.				
TOTAL – Advances				
TOTAL – K – DEPOSITS AND ADVANCES				
L – SUSPENSE AND MISCELLANEOUS –				
(a) – Coinage Accounts				
8656 - Coinage Accounts, etc.				
TOTAL – Coinage Accounts				
(b) – Suspense				
8658 - Suspense Accounts, etc.				
TOTAL – Suspense				
(c) – Other Accounts				
8670 - Cheques and Bills, etc.				
TOTAL – Other Accounts				
(d) – Accounts with Governments				
8679 - Accounts with Governments of other Countries, etc.				
TOTAL – Accounts with Governments of foreign countries				
(e) – Miscellaneous				
8680 - Miscellaneous Government Account, etc.				
TOTAL – Miscellaneous				
TOTAL – L – SUSPENSE AND MISCELLANEOUS				
M – REMITTANCES				
(a) – Money Orders and other remittances				
8781 - Money Orders, etc.				

TOTAL – Money Orders and Remittances				
(b) – Inter-Government Adjustment Account				
8786 - Adjusting Account between Central and State Government				
(c) – Exchange Accounts				
8797 - Exchange Accounts, etc.				
TOTAL – M – REMITTANCES				
TOTAL – Public Account				
N – CASH BALANCE				
8999 – Cash Balance, etc.				
TOTAL – N – CASH BALANCE				
GRAND TOTAL				

STATEMENT NO.4

STATEMENT OF DEBTS AND OTHER INTEREST BEARING OBLIGATIONS OF GOVERNMENT

(In Crores of rupees)

Description of Loans	Amount on 1 st April, 20x1	Additions during the year	Discharges during the year	Amount on 31 st March, 20x2	Interest paid on Public debt
1	2	3	4	5	6
E – PUBLIC DEBT					
6001– Internal Debt of the Union Government					
101 - Market Loans					
(i) Market loans bearing interest					
(ii) Market loans not bearing interest					
(iii) Market Loans Suspense Account					
103 - Treasury Bills and connected Securities issued to R.B.I., etc.					
6002- External Debt					
202 - Loans from the Federal Austrian Government, etc.					
TOTAL – PUBLIC DEBT					

STATEMENT NO.5
DETAILS OF MARKET LOANS RAISED IN INDIA AND SECURITIES ISSUED TO INTERNATIONAL FINANCIAL INSTITUTIONS

(In thousands of rupees)

Details of Loans and Securities	When raised	Amount on 1 st April, 20x1	Additions during the year	Discharges during the year	Amount on 31 st March, 20x2
1	2	3	4	5	6
E – PUBLIC DEBT A – Internal Debt of the Union Government (i) Market Loans (a) Market loans bearing interest etc. (ii) Treasury Bills and Connected Securities issued to RBI – (iii) 364 days Treasury Bills (iv) 182 days Treasury Bills (v) Securities issued to the International Financial Institutions (vi) Special Securities issued to RBI (vii) Etc.					
TOTAL					