

PART B
CAPITAL RECEIPTS

ESTIMATES OF CAPITAL RECEIPTS

The Statement below summarizes by broad categories the estimates of capital receipts - both non-debt and debt receipts. Further, details together with brief notes explaining the variations between Budget Estimates and Revised Estimates for 2004-05 and between latter and Budget Estimates for 2005-06 are given in the notes following the statement. The borrowings and other debt included in the statement are net of repayments.

(in crore of Rupees)

	Budget 2004-2005	Revised 2004-2005	Budget 2005-2006
A. Non-debt Receipts			
1 Recoveries of loans & advances	27100.00	61565.00	12000.00
2 Disinvestment of equity holdings in Public Sector Enterprises	4000.00	4091.00	...
B. Debt Receipts			
3 Market Loans	115501.18	71034.03	100836.29
<i>Of which under Market Stabilisation Scheme(MSS)</i>	<i>25000.00</i>	<i>25000.00</i>	<i>(-) 3000.00</i>
4 Short term borrowings	34864.00	40390.00	24474.00
<i>Of which under Market Stabilisation Scheme</i>	<i>35000.00</i>	<i>40481.00</i>	<i>18019.00</i>
5 External Assistance (Net)	8076.52	9034.64	9655.84
6 Securities issued against Small Savings	1350.00	34015.00	3010.00
7 State Provident Funds (Net)	4000.00	4000.00	5000.00
8 Special Deposits of Non-Government PF, LIC, etc. (Net)	200.39	200.39	...
9 Other Receipts (Net)	19818.00	25013.99	20047.44
C. Total Capital Receipts	214910.09	249344.05	175023.57
10 Draw-down of Cash Balance (excluding balance under MSS)	13597.22	21024.86	3139.51

1. RECOVERIES OF LOANS & ADVANCES

The estimates of recoveries of loans and advances made by the Central Government to the State Governments, Union Territories (with Legislature) and Non-Government parties are as follows:

(in crore of Rupees)

	Budget 2004-2005	Revised 2004-2005	Budget 2005-2006
<i>Recoveries from:</i>			
(i) State Governments	23585.99	57336.02	9865.96
(ii) Union Territories (with Legislature)	262.17	177.98	178.95
(iii) Others	3251.84	4051.00	1955.09
(a) <i>Foreign Governments</i>	<i>68.84</i>	<i>105.45</i>	<i>114.68</i>
(b) <i>Public Sector Enterprises, statutory bodies, etc</i>	<i>3183.00</i>	<i>3945.55</i>	<i>1840.41</i>
TOTAL- Recoveries of Loans and Advances	27100.00	61565.00	12000.00
(a) The recoveries from State Governments exclude short-term ways and means advances	2000.00	2000.00	1000.00
(b) The recoveries from non-Government parties exclude recoveries from Government servants, etc. which are netted in the Expenditure	525.00	525.00	525.00

(i) **Recoveries from State Governments:** The recoveries are in respect of loans advanced to States. BE 2004-05 and RE 2004-05 include receipts under the State Debt Swap Scheme, amounting to Rs. 11,000 crore allocated to meet incremental Defence capital expenditure. Additional receipts of Rs. 32665 crore under the Scheme, utilized to redeem securities issued to NSSF are also included in RE 2004-05.

Recoveries of loans are estimated to decline to Rs. 12000 crore in BE 2005-06 on account of debt relief provided by the TFC.

(ii) **Recoveries from Union Territories (with Legislature):** The recoveries are in respect of loans advanced to the Union Territory of Pondicherry and NCT of Delhi.

(iii) **Repayments by Others:** These include loan repayments by parties other than State and Union Territory Governments, viz. foreign Governments, industrial and commercial enterprises and financial institutions in the public sector, municipalities, port trusts, private sector companies and institutions, cooperatives, etc. The broad details are:-

(in crore of Rupees)

	Budget 2004-2005	Revised 2004-2005	Budget 2005-2006
(a) Foreign Governments	68.84	105.45	114.68
(b) Public Sector Enterprises, statutory bodies, etc.	3183.00	3945.55	1840.41
Total	3251.84	4051.00	1955.09

2. DISINVESTMENT OF EQUITY HOLDINGS IN PUBLIC SECTOR ENTERPRISES

The receipts in RE 2004-05 are on account of partial disinvestments of Central Government's holdings in the equity capital of selected Public Sector Enterprises, Public Sector Banks (PNB), etc. Additional receipts are estimated on account of sale of Government's investments in SUS 1999. In BE 2005-06 nil receipts have been assumed.

3. MARKET LOANS

Government of India raises its market loans under the Scheme of Sale of Dated Government Securities by Auction started in 1992-93. These auctions are conducted by the Reserve Bank of India, as debt manager to the Central Government. This Scheme marked a departure from the practice followed earlier in raising market loans by issuing loans at specified interest rates. Under the Scheme, apart from Fixed Coupon Securities, Government also issues Floating Rate Bonds (FRB) on which the coupon rate, payable semi annually, are reset annually by adding a 'spread', determined in the auction, on the variable base rate calculated as the average of the implicit yields at cut off prices of 364 days Treasury Bills in the three preceding auctions; Zero Coupon Bonds which do not carry any coupon but are sold at a discount; Capital Indexed Bonds, which provided inflation-indexation to the principal amount. Central Government and RBI have prepared a Concept Paper on Modified Capital Index Bonds which would provide for indexation of both the principal amount and coupon payments. Since 2002-03, Central Government has been announcing half-yearly Indicative Market Borrowing Calendar based on its core borrowing requirements.

Government of India and RBI have signed a Memorandum of Understanding on Market Stabilisation Scheme on March 25, 2004 which entail issue of dated securities/treasury bills, upto specified ceiling, in addition to normal market borrowing, to sterilize excess liquidity. These receipts are held in a separate identifiable cash account with RBI and are not utilized for any purpose, other than redemption of dated securities/ treasury bills.

The gross market borrowing of Central Government through issue of dated securities in 2004-05 is estimated to be Rs. 105350 .00 crore [including Rs.25000 crore under Market Stabilisation Scheme (MSS)], as against BE 2004-05 of Rs.149817.15 crore, including Rs.25000 crore MSS. The above gross market borrowing included FRBs of Rs. 22350 crore issued in five tranches. The weighted average cost of normal market borrowings through issue of dated securities during 2004-05 is 6.51% [upto February 15, 2005] as against 5.71% 2003-04. Despite increase in the weighted average cost of borrowing during the year, the weighted average coupon of all outstanding securities is estimated to decline from 9.3% at the end of FY 2003-04 to 8.96% at the end of FY 2004-05. The weighted average maturity of normal market borrowings through issue of dated securities has increased from 14.94 years in 2003-04 to 15.06 years in 2004-05 (upto February 15, 2005).

BUDGET ESTIMATES 2005-2006

The following market loans with outstanding balance indicated against each are due for discharge in 2005-06:

(in crore of Rupees)

1.	9.90% Government Stock, 2005	3000.00
2.	13.75% Government Stock, 2005	1000.00
3.	10.50% Loan, 2005	470.22
4.	14.00% Government Stock, 2005	4209.66
5.	11.25% Loan, 2005	1338.23
6.	10.20% Government Stock, 2005	3000.00
7.	11.19% Government Stock, 2005	6000.00
8.	14.00% Government Stock, 2005	4482.63
9.	6.50 % Loan, 2005	464.97
10.	8.25 % Loan, 2005	664.79
11.	14.00% Government Stock, 2006	3000.00
	Total	27630.50
Add:		
12.	11.19% Government Stock, 2005 *	5000.00
13.	6.18 % Government Stock, 2005*	3000.00
	Grand Total	35630.50

* Special Securities converted into Marketable Securities.

The following dated security issued under MSS is also due for discharge in 2005-06, the expenditure for which would be met out of the separate MSS cash balance held with RBI.

(in crore of Rupees)

6.18% Government Stock 2005

20000.00

CONVERSION OF SPECIAL SECURITIES

Government of India has completed the conversion of special securities issued in lieu of ad hoc treasury bills into marketable securities during the year 2003-04. Details of the marketable securities are given in Annexure 4A.

4. SHORT TERM BORROWINGS (364/182/91 DAYS TREASURY BILLS):

The treasury bills offer short-term investment opportunity to financial institution, banks, etc. primarily, these are issued both under the normal borrowing programme of the Government and Market Stabilization Scheme (MSS). The notified amount for fortnightly auction of 364 days treasury bills has been raised from Rs.750 crore to Rs.1000 crore since 2002-03. The notified amount for weekly auction of 91 days treasury bills has been raised from Rs.250 crore to Rs.500 crore during 2003-04. It has been decided to reintroduced 182 days treasury bills, with notified amount of Rs.500 crore for fortnightly auction in Financial Year 2005-06.

Central Government also issues 14 days Intermediate Treasury Bills for deployment of short term cash surpluses by State Government. However, no receipts are estimated on this account.

BUDGET ESTIMATES 2005-06

The estimates of net borrowing through issue of treasury bills during 2005-06 in Rs.24474 crore, including Rs.18019 crore under MSS. Under normal issue, net borrowing in assumed in repeat of 14 days Intermediate Treasury Bills and 91 days treasury bill. Net receipts of Rs.6500 crore has been assumed in respect of 182 days treasury bills and marginal outflow of Rs.91 crore has been estimated in respect of non-competitive component of the auctions in respect of 364 days treasury bills.

Net receipts under MSS in 2005-06 have been assumed at Rs.18019 crore – Rs.13000 crore through 182 days treasury bills and Rs.5019 crore through 364 days treasury bills.

5. EXTERNAL ASSISTANCE

Budget 2005-06 assumed a gross receipt of Rs.17184.48 crore and repayment of Rs. 7528.64 crore, resulting in net external assistance (excluding external grants) of Rs.9655.84 crore.

The net receipt from external assistance is placed at Rs.9034.64 crore at RE 2004-05.

A summary of estimates of receipts of external assistance and repayment of the principal in 2004-2005 and in 2005-2006 is given below:

(in crore of Rupees)

	Budget 2004-2005	Revised 2004-2005	Budget 2005-2006
A. Receipts			
(i) External loans	14546.19	15392.86	16384.48
(ii) Receipts under Revolving fund	400.00	800.00	800.00
Total Receipts	14946.19	16192.86	17184.48
B. Repayments	(-) 6869.67	(-) 7158.22	(-)7528.64
Net receipts	8076.52	9034.64	9655.84

Further details are given in Annexure 2 to this document.

6. (A) NATIONAL SMALL SAVINGS FUND

Small Savings Schemes:

The small savings schemes currently in force are: Post Office Savings Account, Post Office Time Deposits (1, 2, 3 & 5 years), Post Office Recurring Deposit, Post Office Monthly Income Account, Senior Citizens Savings Scheme, National Savings Certificate (VIII-Issue), Kisan Vikas Patra and Public Provident Fund.

The Senior Citizens Savings Scheme has been introduced with effect from the 2nd August, 2004. The scheme is available at post offices and designated public sector banks. Persons of 60 years of age and above and retired employees of 55 years of age and above but less than 60 years, are eligible to open deposits under the scheme. The deposits are subject to a maximum ceiling of Rs. 15 lakhs (limited to retirement benefits in case of eligible retired employees below 60 years of age) and earn interest at the rate of nine per cent per annum paid on a quarterly basis.

National Small Savings Fund:

All deposits under small savings schemes are credited to the "National Small Savings Fund" (NSSF), established in the Public Account of India with effect from 1.4.1999. All withdrawals by the depositors are made out of the accumulations in this Fund. The balance in the Fund is invested in special Government securities as per norms decided from time to time by the Central Government. The liability of outstanding balances under various small savings schemes at the close of 31st March, 1999 was borne by the Central Government by treating the same as investment of NSSF in special Central Government securities. A share of net small savings collections, was also invested in special Central Government securities during 1999-2000 to 2001-02. From 2002-03, the entire net collections (deposits minus withdrawals by the subscribers) under small savings schemes in each State and Union Territory (with legislature) are being advanced to the concerned State/ Union Territory Government as investment in its special securities. The sums received in NSSF on redemption of special securities are being reinvested in special Central Government securities. The debt servicing of Government securities is an income of the Fund while the interest paid to the subscribers and cost of management of small savings schemes are expenditure of the Fund.

(ii) The special Central Government securities issued to NSSF constitute a part of the internal debt of the Government of India.

(iii) Interest at the rate of 9.50 per cent per annum is payable on the special securities issued by State Governments from 1st April, 2003 onwards.

Impact of Debt Swap Scheme on NSSF :

With effect from 2002-03, a debt swap scheme is under implementation to facilitate the State Governments to swap their high cost debt owed to Government of India with additional open market borrowings and a part of current small savings transfers. During 2002-03, States swapped high cost loans amounting to Rs. 13,766 crore with 20 per cent of small savings share from September, 2002 to March, 2003 and additional open market borrowings. During 2003-04, high cost loans amounting to Rs. 46211 crore have been swapped with 30 per cent of small savings transfers and additional open market borrowings. Similarly, loans amounting to Rs. 43665 crore are estimated for swap during 2004-05 using 40% of the small savings share and additional open market borrowings. The receipts from the debt swap scheme in 2002-03 and 2003-04 were used by the Central Government to repay its liabilities to NSSF. Out of the receipts from the debt swap scheme in 2004-05, a sum of Rs. 32665 crore is being used by the Central Government to repay its liabilities to the NSSF. NSSF, in turn, has reinvested the amount received from such redemption in fresh Government of India securities issued at market related rates of interest.

Sources and Application :

(i) The Sources and Application of National Small Savings Fund are shown in the **Table-I** hereunder.

(ii) The details about various components of National Small Savings Fund (viz: Receipts, Disbursements, Investments, Income and Expenditure of NSSF) containing 'Actuals' for 2003-2004 (Provisional), RE 2004-05 and BE 2005-06 are tabulated in **Annexure – 8**.

Table-I
SOURCES AND APPLICATION OF NATIONAL SMALL SAVINGS FUND AS ON 31ST MARCH

Particulars	(In Crore of Rupees)		
	Actuals 2003-2004 (Provisional)	2004-05 (R.E.)	2005-06 (B.E.)
A. SOURCES OF FUNDS			
DEPOSITS UNDER SMALL SAVINGS SCHEMES			
Savings Deposits			
Liabilities outstanding as on 1st April	140216.27	188906.86	254616.86
Accretion to liabilities during the year	48690.59	65710.00	80000.00
Savings Certificates			
Liabilities outstanding as on 1st April	163420.33	174563.42	189153.42
Accretion to liabilities during the year	11143.09	14590.00	3000.00
Public Provident Fund			
Liabilities outstanding as on 1st April	60753.84	71771.49	81271.49
Accretion to liabilities during the year	11017.65	9500.00	10800.00
Total Deposits	435241.77	525041.77	618841.77
B. APPLICATION OF FUNDS			
Investment in Special Central Government Securities against outstanding balance as on 31.3.1999			
Investment as on 1st April	162455.34	116244.19	83579.19
Less: Redemption of securities during the year	(-) 46211.15	(-) 32665.00	...
Investment in Special Central Government Securities against collections from 1.4.1999			
Investment as on 1st April	26049.69	26049.69	25599.69
Additional investment during the year	...	...	...

(In Crore of Rupees)

Particulars	Actuals 2003-2004 (Provisional)	2004-05 (R.E.)	2005-06 (B.E.)
Less: Redemption of securities during the year	...	(-) 450.00	(-) 865.00
Investment in Special State Government Securities against collections from 1.4.1999			
Investment as on 1st April	147481.34	215123.29	298773.29
Additional investment during the year	67641.95	85000.00	90000.00
Less: Redemption of securities during the year	...	(-) 1350.00	(-) 3010.00
Re-investment in Special Central Government Securities out of the sums received on redemption of securities			
Investment as on 1st April	...	59976.73	94441.73
Additional investment during the year	59976.73	34465.00	3875.00
Less: Redemption of securities during the year	...	...	...
Total Investment in Securities	417393.90	502393.90	592393.90
Accumulated Balance Income/Expenditure Account	12980.31	13396.90	13474.13
Cash Balance	4867.56	9250.97	12973.74
TOTAL	435241.77	525041.77	618841.77

(B) DEPOSIT SCHEMES FOR RETIRING EMPLOYEES

Two non-statutory deposit schemes for retired / retiring employees, namely: Deposit Scheme for Retiring Government Employees and Deposit Scheme for Retiring Employees of Public Sector Companies, were being run by the Central Government. Fresh deposits under both these schemes have been discontinued with effect from close of business on July 9, 2004. It has also been notified that no interest shall accrue on the deposits in the existing accounts under these schemes, on completion of the maturity period of three years, on or after the 13th September, 2004. Budgetary Estimates of collections under these schemes are shown in Table-II below.

Table II

(In Crore of Rupees)

	Actuals 2003-04 (Provisional)	RE 2004-05	BE 2005-06
GROSS	630.48	350.00	...
NET	554.75	(-) 1150.00	(-) 600.00

7. OTHER RECEIPTS

(i) **8% Savings (Taxable) Bonds, 2003** were introduced w.e.f. 21st April, 2003 to enable resident citizens/charitable institutions/University etc. to invest their savings in taxable bonds without any monetary ceilings. The bonds will have maturity of six years carrying interest at 8 per annum payable half yearly. Both cumulative and non-cumulative options are available. The bonds are not transferable. They are also not tradable in the secondary market and are not eligible as collateral security for loans from banking institutions, non-banking financial companies or financial institutions.

(ii) **6.5% Savings (Non-taxable) Bonds, 2003** were introduced with effect from 24th March, 2003 to enable resident citizens to invest their savings in tax-free bonds without any monetary ceilings. The Scheme has been discontinued with effect from close of business on July 9, 2004.

Government has also notified that post maturity interest on all series of Relief Bonds shall cease with effect from March 1, 2003.

(iii) Railway Reserve Funds:

(in Crore of Rupees)

	Budget 2004-2005	Revised 2004-05	Budget 2005-06
Railway Pension Fund			
Cr.	6482.57	6748.39	7150.03
Dr.	6400.00	6700.00	7150.00
Net	(+) 82.57	(+) 48.39	(+) 0.03
Railway Depreciation Reserve Fund			
Cr.	2528.13	2969.51	3982.07
Dr.	2120.00	2215.00	2650.00
Net	(+) 408.13	(+)754.51	(+) 1332.07

(in Crore of Rupees)

	Budget 2004-2005	Revised 2004-05	Budget 2005-06
Railway Development Fund			
Cr.	724.27	1774.14	1959.38
Dr.	715.00	845.80	1200.19
Net	(+) 9.27	(+)928.34	(+) 759.19
Railway Capital Fund			
Cr.	1.08	1.08	1.15
Dr.	...	...	...
Net	(+) 1.08	(+)1.08	(+) 1.15
Railway Safety Fund			
Cr.	403.74	403.74	713.55
Dr.	401.00	401.00	710.81
Net	(+) 2.74	(+)2.74	(+) 2.74
Special Railway Safety Fund			
Cr.	2933.00	3645.00	3522.00
Dr.	2933.00	3645.00	3522.00
Net	...	...	...
TOTAL	(+) 503.79	(+) 1735.06	(+) 2095.18

(a) *Railway Pension Fund*: is intended to meet the pensionary charges of Railway employees. Suitable amounts are transferred annually to the Fund by debit to revenue and capital expenditure heads. The pensionary charges are initially met as part of revenue head and later recouped from the Fund. Credit to the Fund during the year 2004-2005 is estimated at Rs.6748.39 crore, including Rs.98.39 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawals are estimated at Rs.6700 crore. During 2005-2006 credit is estimated at Rs.7150.03 crore, including Rs.100.03 crore on account of interest. As against this, the withdrawal is estimated at Rs.7150 crore.

(b) *Railway Depreciation Reserve Fund*: provides for replacement and renewal of assets including the improvement element. Contribution to the Fund is estimated at Rs.2969.51 crore in 2004-2005, which is inclusive of Rs.207.51 crore of interest payable by General Revenues on the balance in the Fund. The outgo from the Fund has been estimated at Rs.2215 crore in 2004-2005. For 2005-2006, credit is estimated at Rs.3982.07 crore including Rs.278.07 crore on account of interest. Withdrawal is estimated at Rs.2650 crore.

(c) *Railway Development Fund*: set up in 1950, the Fund is used for meeting expenditure on passengers and users' amenities, labour welfare works, unremunerative operating improvements and safety works. The Fund is financed by appropriation of such portion of the Railway excess, if any, as may be fixed by the Government and voted by Parliament. If the accumulated balance in the Fund, after transfer from the railway excess to it, is not enough to meet the expenditure to be financed from the Fund, interest-bearing loans are taken from the General Revenues for credit to the Fund. During 2004-2005, the credit to the Railway Development Fund has been estimated at Rs.1774.14 crore comprising Rs.1724.80 crore out of the anticipated excess and Rs.49.34 crore being the interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2004-2005 has been estimated at Rs.845.80 crore. Credit to the Fund during 2005-2006 is placed at Rs.1959.38 crore, made up of Rs.1852.98 crore out of anticipated excess and Rs. 106.40 crore being the interest payable on the balance in the Fund. The withdrawal during 2005-2006 is estimated at Rs. 1200.19 crore for works chargeable to the Fund.

(d) *Railway Capital Fund*: was created in 1992-93 to enable the Railways to utilize a part of the internally generated resources for building up the infrastructure of the Railways. In case of shortfall of Railway revenues in financing the Capital Fund, interest bearing loan is taken from the General Revenues for credit to the Fund. The credit to the Fund in 2004-2005 is estimated at Rs.1.08 crore which is entirely the interest payable by General Revenues on the balance in the Fund. Credit to the Fund during 2005-2006 is placed at Rs.1.15 crore representing the interest payable on the balance in the Fund. No withdrawal is envisaged in 2004-2005 and 2005-2006.

(e) *Railway Safety Fund*: has been created from 1.4.2001 for financing safety works relating to conversion of unmanned level crossings and for construction of Railway Over/Under Bridges at busy level crossings. The Fund is mainly financed through transfer of funds by the Government from the Central Road Fund and the contribution hitherto being made to the Railway Safety Works Fund out of the dividend being paid to the General Revenues. This is a non-interest bearing Fund. Credit to the Fund during 2004-2005 is placed at Rs.403.74 crore. The withdrawal is estimated at Rs.401 crore. The credit during 2005-2006 is estimated at Rs.713.55 crore and the withdrawal is estimated at Rs.710.81 crore.

(f) *Special Railway Safety Fund (SRSF)*: was set up with effect from 2001-02, pursuant to the recommendation of the Railway Safety Review Committee (1998), to wipe out arrears of replacement and renewals of over-aged railway assets within a fixed time frame of 6 years. For this, as has been agreed by the Government, Rs.12000 crore will be provided by the Ministry of Finance and the balance Rs.5000 crore will be mobilised by the Railways through levy of safety surcharge on passenger fares. The short fall in collection of safety surcharge is being made good by the Railways out of its revenues. The SRSF is a non-interest bearing Fund.

An amount of Rs.3645 crore, representing Rs.2975 crore received from the General Revenues and Rs.670 crore being the Railways' share is being credited to the Fund in the year 2004-05. The outgo from the fund has also been placed at the level of Rs.3645 crore. During 2005-2006, the credit to the Fund is estimated at Rs.3522 crore, comprising Rs.2699 crore being transferred by the General Revenues and Rs.823 crore being the Railways' share. The withdrawal from the Fund has been kept at Rs. 3522 crore in 2005-2006.

(iv) International Financial Institutions

The estimates relating to (a) special securities issued towards India's subscriptions/contributions to International Financial Institutions and (b) certain transactions involving use of Special Drawing Rights (SDRs) with the I.M.F. are given in the table below:

(in crore of Rupees)

International Financial Institutions	Budget 2004-2005			Revised 2004-05			Budget 2005-06		
	Receipts	Discharges	Net	Receipts	Discharges	Net	Receipts	Discharges	Net
1	2	3	4	5	6	7	8	9	10
1 International Monetary Fund	...	...	...	...	648.27	(-) 648.27	357.14	...	357.14
2 International Bank for Reconstruction and Development	0.01	100.00	(-) 99.99	0.01	100.00	(-) 99.99	0.01	100.00	(-) 99.99
3 International Development Association	0.01	...	0.01	1.04	...	1.04	...	...	...
4 International Fund for Agricultural Development	23.00	22.75	0.25	22.74	0.42	22.32	...	...	...
5 Asian Development Bank	0.01	2.00	(-) 1.99	0.01	7.93	(-) 7.92	0.01	9.20	(-) 9.19
6 African Development Fund & Bank	9.08	4.12	4.96	9.03	6.30	2.73	0.85	6.42	(-) 5.57
7. Multilateral Investment Guarantee Agency (MIGA)	...	...	...	0.01	21.17	(-) 21.16	0.01	...	0.01
Total	32.11	128.87	(-) 96.76	32.84	784.09	(-) 751.25	358.02	115.62	242.40
S.D.Rs	(-) 299.89	(-) 307.61	7.72	77.52	444.69	(-) 367.17	442.68	442.91	(-) 0.23

International Monetary Fund (IMF): Under the 'Maintenance of Value' provision of the Fund's Article of Agreement, the value of the currencies of members held in the General Resources Account is required to be maintained in terms of the Special Drawing Rights and an adjustment in the Fund's holdings of a member's currency pursuant to this provision is made on the occasion of the use of that currency in an operation or transaction between the Fund and another member and at such other times as the Fund may decide or the member may request. In BE 2005-2006, provision for Rs.357.13 crore has been made.

On account of repurchase transactions during 2005-2006 necessitated by drawing down of the rupee balances in IMF Account No.1, the rupee securities are required to be encashed to replenish IMF Account No. 1 with RBI. In RE 2004-2005, an amount of Rs.648.27 crore has been provided for discharging obligatory expenses (redemption of special securities) under Financial Transaction Plan (FTP) of IMF. In view of the repurchase programme of IMF facility during 1991-93 having been completed, no provision has been made for the purpose in BE 2005-2006 for encashment of securities.

Special Drawing Rights (SDRs): India is a participant in the Special Drawing Rights allocation of the IMF. Since 1981 the net cumulative allocations of SDR to India has remained at SDR 681.2 million, as there was no fresh allocation of SDRs. The SDRs are used in transactions such as payment of charges and discharge of repurchase obligations including payment of additional subscription.

IMF pays interest to each holder on its holdings of Special Drawing Rights and levies charges at the same rate on each participant's net cumulative allocation. It also levies assessment charges in regard to administration of the SDR account, for all participants on their net cumulative allocations. The net interest or net charges are settled by crediting or by debiting individual holdings account at the beginning of February, May, August and November of each year.

India has already completed repurchases against various facilities drawn by it. Therefore, during 2004-2005, no provision was made under the head. There is no requirement for any provision in BE for 2005-2006.

Purchase and repurchase transactions are debited/credited to the head "Special Drawing Rights" in the Public Account. Payments made to the IMF in the form of SDRs are debited to the relevant expenditure heads per contra-credit to this head. Similarly, receipts realised in the form of SDRs are credited to the relevant receipt heads by contra-debit to this head. The total credits to the head 'Special Drawing Rights' amounted to Rs.77.52 crore in the Revised Estimate 2004-2005 of which Rs. 77.52 crore would be contra debited to SDR A/c. The total debits to the head Special Drawing Rights amount to Rs. 444.69 crore in the Revised Estimates 2004-2005, of which Rs.444.69 crore would be contra-credited to the SDR Account. During 2005-2006 there will be a credit of Rs.442.68 crore and a debit of Rs.442.91 crore.

International Bank for Reconstruction and Development (IBRD): A token provision of Rs. 0.01 crore was made in BE 2004-2005 on account of Maintenance of Value (MOV). The Government of India has taken a decision to convert MOV obligations in Dollar denominated securities and so MOV payment was not required in the current financial year and would also not be required from next year onwards. Hence, no provision was made in RE 2003-04. However, a token provision of Rs. 0.01 crore has been kept in BE 2005-2006.

Budget Estimate 2004-2005 and RE 2004-2005 included a provision of Rs.100.00 crore and Rs.100.00 crore respectively towards encashment of securities by IBRD. Similar provision of Rs.100.00 crore has also been kept in BE 2005-2006.

International Development Association (IDA): A provision of Rs. 0.01 crore was made in BE 2004-2005, which has been revised to Rs. 1.04 crores in RE 2004-05. For BE 2005-2006, no provision has been made.

For encashment of securities for IDA, no provision was made in 2004-2005. Similarly, no provision has been made in BE 2005-06.

International Fund for Agriculture Development (IFAD): India is one of the original members of the International Fund for Agricultural Development, a specialised agency of the United Nations. Since inception, India has contributed \$ 52 million towards the resources of IFAD till December, 2004. The payments are made by the issue of non-negotiable, non-interest bearing Rupee securities held in favour of IFAD by Reserve Bank of India upto 4th Replenishment. From the 5th Replenishment onwards, the Government of India has made the payment in cash.

Asian Development Bank (ADB): The Asian Development Bank keeps Rupee securities with the Reserve Bank of India which can be encashed by it to meet its rupee expenditure in India from time to time. A provision of Rs.2 crore has been made in BE 2004-05 and RE 2004-2005 and BE 2005-2006 has been kept at Rs.7.93 crore and Rs.9.20 crore respectively.

African Development Fund (AFDF) and African Development Bank (AFDB): have been set up with the main objective of furthering the economic and social development of the region by providing financial assistance on soft terms. India has joined both the Fund and the Bank in order to develop closer economic co-operation with the African countries.

As a member of AFDF and AFDB, India has to pay its shares of commitments to the capital replenishments of these organisations. Upto ADF IX replenishments, India has contributed a total amount of Rs. 147.23 crore to the resources of the African Development Fund. On the basis of the present encashment schedule of ADF, securities of Rs. 5.52 crore in 2004-2005 and Rs. 5.58 crore in 2005-2006 are to be encashed.

Upto GCI-IV, India has made subscription of Rs. 5.40 crore to the capital stock of the African Development Bank. Under the fifth General Capital Increase (GCI-V) of the capital stock of the African Development Bank, India has been allocated 1860 shares. Out of these 112 shares are paid up and remaining 1748 shares are callable. India's subscription against paid up shares is UA 11,20,000 equivalent to US\$ 13,51,112 at the fixed exchange rate of 1 UA = US\$ 1.20635. The payment of paid up shares will be made in eight equal annual installments. The payment of 1st installment in cash and of second, third, fourth and fifth installments of Rs. 3.98 crores had been made in the year, 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 respectively in notes encashable on demand in a freely convertible currency to AFDB.

Multilateral Investment Guarantee Agency (MIGA): Provision of Rs.21.17 crore has been made in RE 2004-05 for encashment of security created in favour of Multilateral Investment Guarantee Agency (MIGA).

(v) Other Items:

The estimates include net effect of transactions under the Family Pension cum Life Assurance Fund for industrial and coal mine workers, Postal Insurance and Life Annuity Fund, Central Government Employees Group Insurance Funds, deposits of Central Public Sector Undertakings, security deposits, court deposits etc.