

## Capital Receipts

Tax Revenue		Major Head	Actual 2013-2014	Budget 2014-2015	(In crores of Rupees)	
					Revised 2014-2015	Budget 2015-2016
<b>Non debt Receipts</b>						
<b>1. Recoveries of Loans &amp; Advances</b>						
1.01.	State Governments					
1.01.01.	Gross Receipts	7601	10007.60	9685.63	8680.78	8917.46
1.01.02.	Recoveries	7601	...	-1000.00	-100.00	-100.00
<i>Net-State Governments</i>			<i>10007.60</i>	<i>8685.63</i>	<i>8580.78</i>	<i>8817.46</i>
1.02.	Union Territories (With Legislature)	7602	111.66	146.54	454.43	454.53
1.03.	Foreign Governments	7605	344.10	379.20	368.18	358.42
1.04.	Other Loans & Advances (Public Sector Enterprises, Statutory Bodies etc.)					
1.04.01.	Gross Receipts	9001	14085.64	12605.82	15079.21	12983.46
1.04.02.	Recoveries	9001	-12052.36	-11290.00	-13597.08	-11861.04
<i>Net-Other Loans &amp; Advances (Public Sector Enterprises, Statutory Bodies etc.)</i>			<i>2033.28</i>	<i>1315.82</i>	<i>1482.13</i>	<i>1122.42</i>
<i>Net-Recoveries of Loans &amp; Advances</i>			<i>12496.64</i>	<i>10527.19</i>	<i>10885.52</i>	<i>10752.83</i>
<b>2. Miscellaneous Capital Receipts</b>						
2.01.	Disinvestment Receipts	4000	18253.95	43425.00	26353.30	41000.00
2.02.	Divestment of Government stake in non Government Companies	4000	6108.14	15000.00	...	...
2.03.	Writeback of amounts with AMC	4000	...	...	...	...
2.04.	Others	4000	5005.80	5000.00	5000.00	...
2.05.	Strategic Disinvestment	4000	...	...	...	28500.00
2.06.	Less issue of Bonus Shares	4000	...	...	-3.00	...
<i>Net-Miscellaneous Capital Receipts</i>			<i>29367.89</i>	<i>63425.00</i>	<i>31350.30</i>	<i>69500.00</i>
<b>Total-Non debt Receipts</b>			<b>41864.53</b>	<b>73952.19</b>	<b>42235.82</b>	<b>80252.83</b>
<b>Debt Receipts</b>						
<b>3. Borrowings</b>						
3.01.	Market Loans					
3.01.01.	Gross Borrowings	6001	563674.67	600000.00	592000.00	600000.00
3.01.02.	Repayments	6001	-95006.57	-138795.33	-138795.33	-143594.54
<i>Net-Market Loans</i>			<i>468668.10</i>	<i>461204.67</i>	<i>453204.67</i>	<i>456405.46</i>
3.02.	Switching off of Securities					
3.02.01.	Gross Borrowings	6001	31472.28	50000.00	32000.00	50000.00
3.02.02.	Repayments	6001	-30999.54	-50000.00	-32000.00	-50000.00
<i>Net-Switching off of Securities</i>			<i>472.74</i>	<i>...</i>	<i>...</i>	<i>...</i>
3.03.	Buy Back					
3.03.01.	Gross Borrowings	6001	...	...	...	...
3.03.02.	Repayments	6001	-15590.00	...	-6282.88	...
<i>Net-Buy Back</i>			<i>-15590.00</i>	<i>...</i>	<i>-6282.88</i>	<i>...</i>
3.04.	Short Term Borrowings					
3.04.01.	14 day Treasury Bills					
3.04.01.01.	Gross Borrowings	6001	2151859.53	2343495.00	2343495.00	2378006.28
3.04.01.02.	Repayments	6001	-2183501.92	-2343495.00	-2343495.00	-2378006.28
<i>Net</i>			<i>-31642.39</i>	<i>...</i>	<i>...</i>	<i>...</i>
3.04.02.	91 Day Treasury Bills					
3.04.02.01.	Gross Borrowings	6001	580087.59	632588.51	696766.51	735410.60
3.04.02.02.	Repayments	6001	-559423.26	-618134.64	-658912.12	-717473.45
<i>Net</i>			<i>20664.33</i>	<i>14453.87</i>	<i>37854.39</i>	<i>17937.15</i>
3.04.03.	182 Day Treasury Bills					
3.04.03.01.	Gross Borrowings	6001	137520.26	149197.96	147707.88	160874.14
3.04.03.02.	Repayments	6001	-125298.91	-149197.96	-146688.24	-156874.14
<i>Net</i>			<i>12221.35</i>	<i>...</i>	<i>1019.64</i>	<i>4000.00</i>
3.04.04.	364 Day Treasury Bills					

		(In crores of Rupees)				
Tax Revenue	Major Head	Actual 2013-2014	Budget 2014-2015	Revised 2014-2015	Budget 2015-2016	
3.04.04.01.	Gross Borrowings	6001	136956.26	157006.51	149251.15	163425.05
3.04.04.02.	Repayments	6001	-130470.80	-136907.51	-136956.26	-155299.65
	<i>Net</i>		6485.46	20099.00	12294.89	8125.40
3.04.05.	Cash Management Bills					
3.04.05.01.	Gross Borrowings	6001	107195.00	100000.00	10000.00	100000.00
3.04.05.02.	Repayments	6001	-107195.00	-100000.00	-10000.00	-100000.00
	<i>Net</i>		...	...	...	...
3.04.06.	Ways & Means Advances					
3.04.06.01.	Gross Borrowings	6001	242425.00	500000.00	315078.00	500000.00
3.04.06.02.	Repayments	6001	-242425.00	-500000.00	-315078.00	-500000.00
	<i>Net</i>		...	...	...	...
	<i>Net-Short Term Borrowings</i>		7728.75	34552.87	51168.92	30062.55
	<i>Net-Borrowings</i>		461279.59	495757.54	498090.71	486468.01
<b>4.</b>	<b>Securities against Small Savings</b>					
4.01.	Receipts	6001	13659.53	9531.00	34578.00	23835.00
4.02.	Repayments	6001	-1302.48	-1302.48	-1302.48	-1427.48
	<i>Net-Securities against Small Savings</i>		12357.05	8228.52	33275.52	22407.52
<b>5.</b>	<b>State Provident Funds</b>					
5.01.	Receipts	8009	46914.53	48000.00	46000.00	46000.00
5.02.	Disbursements	8009	-37161.69	-36000.00	-36000.00	-36000.00
	<i>Net-State Provident Funds</i>		9752.84	12000.00	10000.00	10000.00
<b>6.</b>	<b>Other Receipts ( Internal Debts and Public Account)</b>					
6.01.	Relief Bonds					
6.01.01.	Receipts	6001	4.18	...	...	...
6.01.02.	Disbursements	6001	-22.22	-30.84	-41.64	-33.18
	<i>Net-Relief Bonds</i>		-18.04	-30.84	-41.64	-33.18
6.02.	Saving Bonds					
6.02.01.	Receipts	6001	251.25	297.00	267.81	288.30
6.02.02.	Disbursements	6001	-441.82	-1157.80	-705.16	-5733.17
	<i>Net-Saving Bonds</i>		-190.57	-860.80	-437.35	-5444.87
6.03.	Others					
6.03.01.	Receipts	6001	...	...	...	...
6.03.02.	Disbursements	6001	...	...	...	...
	<i>Net-Others</i>		...	...	...	...
6.04.	Post Office Life Insurance Fund (POLIF)					
6.04.01.	Receipts	6001	...	...	...	...
6.04.02.	Disbursements	6001	...	...	...	...
	<i>Net-Post Office Life Insurance Fund (POLIF)</i>		...	...	...	...
6.05.	Other Receipts (Public Account Other than State Provident Funds)					
6.05.01.	Receipts	9002	641734.86	598962.30	663228.80	713950.76
6.05.02.	Disbursements	9002	-612766.37	-603212.00	-684397.07	-693327.84
6.05.03.	Less - Receipts	9002	...	...	...	...
	<i>Net-Other Receipts (Public Account Other than State Provident Funds)</i>		28968.49	-4249.70	-21168.27	20622.92
6.06.	International Financial Institutions					
6.06.01.	International Monetary Fund					
6.06.01.01.	Receipts	6001	4269.00	500.01	4618.80	0.02
6.06.01.02.	Repayments	6001	-1443.60	-2514.98	-1000.00	-1500.00
6.06.01.03.	Less - Receipts netted	6001	-366.96	-773.26	-5372.72	-505.37
	<i>Net</i>		2458.44	-2788.23	-1753.92	-2005.35
6.06.02.	International Bank for Reconstruction and Development					
6.06.02.01.	Receipts	6001	...	...	...	...
6.06.02.02.	Repayments	6001	...	...	...	...
	<i>Net</i>		...	...	...	...

Tax Revenue		Major Head	(In crores of Rupees)			
			Actual 2013-2014	Budget 2014-2015	Revised 2014-2015	Budget 2015-2016
6.06.03.	International Development Association					
6.06.03.01.	Receipts	6001	...	...	433.29	419.96
6.06.03.02.	Repayments	6001	...	...	...	...
	<i>Net</i>		...	...	433.29	419.96
6.06.04.	Asian Development Bank & Fund					
6.06.04.01.	Receipts	6001	172.83	271.93	248.64	48.02
6.06.04.02.	Repayments	6001	-29.00	-29.60	-66.37	-67.44
	<i>Net</i>		143.83	242.33	182.27	-19.42
6.06.05.	African Development Fund & Bank					
6.06.05.01.	Receipts	6001	2.61	1.32	71.99	37.37
6.06.05.02.	Repayments	6001	-16.90	-17.63	-58.83	-18.45
	<i>Net</i>		-14.29	-16.31	13.16	18.92
	<i>Net-International Financial Institutions</i>		2587.98	-2562.21	-1125.20	-1585.89
	<i>Net-Other Receipts ( Internal Debts and Public Account)</i>		31347.86	-7703.55	-22772.46	13558.98
<b>7.</b>	<b>External Debt</b>					
7.01.	Multilateral					
7.01.01.	International Bank for Reconstruction and Development					
7.01.01.01.	Receipts	6002	3402.69	4141.20	5810.55	6285.00
7.01.01.02.	Repayments	6002	-3677.45	-4160.22	-4147.25	-4843.45
	<i>Net</i>		-274.76	-19.02	1663.30	1441.55
7.01.02.	International Development Association					
7.01.02.01.	Receipts	6002	7007.81	6147.27	7929.10	8550.00
7.01.02.02.	Repayments	6002	-5895.73	-8279.94	-7881.70	-9373.20
	<i>Net</i>		1112.08	-2132.67	47.40	-823.20
7.01.03.	International Fund for Agricultural Development					
7.01.03.01.	Receipts	6002	184.66	209.00	193.18	395.70
7.01.03.02.	Repayments	6002	-68.85	-81.74	-78.12	-78.73
	<i>Net</i>		115.81	127.26	115.06	316.97
7.01.04.	Asian Development Bank					
7.01.04.01.	Receipts	6002	4309.25	6129.53	7166.79	7929.18
7.01.04.02.	Repayments	6002	-2032.12	-2126.42	-2236.76	-2649.67
	<i>Net</i>		2277.13	4003.11	4930.03	5279.51
7.01.05.	Eastern European Community (SAC)					
7.01.05.01.	Receipts	6002	...	...	...	...
7.01.05.02.	Repayments	6002	-8.70	-9.39	-9.38	-9.34
	<i>Net</i>		-8.70	-9.39	-9.38	-9.34
7.01.06.	Organisation of the Petroleum Exporting Countries					
7.01.06.01.	Receipts	6002	8.87	50.00	75.00	50.00
7.01.06.02.	Repayments	6002	-17.29	-18.54	-18.26	-18.46
	<i>Net</i>		-8.42	31.46	56.74	31.54
	<i>Net-Multilateral</i>		3213.14	2000.75	6803.15	6237.03
7.02.	Bilateral					
7.02.01.	Germany					
7.02.01.01.	Receipts	6002	899.10	565.05	777.90	462.00
7.02.01.02.	Repayments	6002	-1157.29	-1282.70	-1193.79	-1193.64
	<i>Net</i>		-258.19	-717.65	-415.89	-731.64
7.02.02.	France					
7.02.02.01.	Receipts	6002	1016.43	17.00	220.06	462.00
7.02.02.02.	Repayments	6002	-227.73	-379.86	-240.84	-120.82
	<i>Net</i>		788.70	-362.86	-20.78	341.18
7.02.03.	Italy					
7.02.03.01.	Receipts	6002	...	...	...	...

		(In crores of Rupees)			
Tax Revenue	Major Head	Actual 2013-2014	Budget 2014-2015	Revised 2014-2015	Budget 2015-2016
7.02.03.02. Repayments	6002	...	...	...	...
<i>Net</i>		...	...	...	...
7.02.04. Japan					
7.02.04.01. Receipts	6002	8777.21	10893.99	8224.89	10189.47
7.02.04.02. Repayments	6002	-3875.47	-4262.12	-3884.50	-4034.38
<i>Net</i>		4901.74	6631.87	4340.39	6155.09
7.02.05. Switzerland					
7.02.05.01. Receipts	6002	...	...	...	...
7.02.05.02. Repayments	6002	-4.90	-19.91	-4.76	-4.47
<i>Net</i>		-4.90	-19.91	-4.76	-4.47
7.02.06. USA					
7.02.06.01. Receipts	6002	...	...	...	...
7.02.06.02. Repayments	6002	-174.21	-979.96	-177.19	-182.74
<i>Net</i>		-174.21	-979.96	-177.19	-182.74
7.02.07. Russian Federation					
7.02.07.01. Receipts	6002	9.17	22.00	10.00	50.00
7.02.07.02. Repayments	6002	-984.56	-840.46	-829.45	-691.10
<i>Net</i>		-975.39	-818.46	-819.45	-641.10
7.02.08. Kuwait					
7.02.08.01. Receipts	6002	-79.46	...	...	...
7.02.08.02. Repayments	6002	...	...	...	...
<i>Net</i>		-79.46	...	...	...
7.02.09. Sweden					
7.02.09.01. Receipts	6002	-119.50	...	...	...
7.02.09.02. Repayments	6002	...	...	...	...
<i>Net</i>		-119.50	...	...	...
<i>Net-Bilateral</i>		4078.79	3733.03	2902.32	4936.32
<i>Net-External Debt</i>		7291.93	5733.78	9705.47	11173.35
<b>Total-Debt Receipts</b>		<b>522029.27</b>	<b>514016.29</b>	<b>528299.24</b>	<b>543607.86</b>
<b>8. Draw Down of Cash Balance</b>					
8.01. Receipts	9003	...	17160.40	...	12041.44
8.02. Disbursements	9003	-19170.95	...	-15671.48	...
<i>Net-Draw Down of Cash Balance</i>		-19170.95	17160.40	-15671.48	12041.44
<b>9. Market Stabilisation Scheme</b>					
9.01. Receipts	6001	...	20000.00	...	20000.00
9.02. Repayments	6001	...	...	...	...
<i>Net-Market Stabilisation Scheme</i>		...	20000.00	...	20000.00
<b>Grand Total</b>		<b>544722.86</b>	<b>625128.88</b>	<b>554863.58</b>	<b>655902.13</b>

1. The Statement above 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 2014-15 and between Revised Estimates for 2014-15 and Budget Estimates for 2015-16 as given in the notes below.

**1.01. Recoveries from State Governments:** Receipts from State Governments are estimated at ₹ 8580.78 crore in RE 2014-15 and ₹ 8817.46 crore in BE 2015-16. The receipts in RE 2014-15 include waiver of loans to State Governments which are matched by equivalent expenditure.

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

**1.03&1.04. Repayment by Others:** These include loan repayments by parties other than States 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.

**2. Miscellaneous Capital Receipts:** These include receipts on account of disinvestment of part of government equity in central Public sector Enterprises ( CPSEs).

A CPSE Exchange Traded Fund (CPSE ETF) has been launched to monetize the shareholding in those CPSEs which will form part of the ETF basket in the financial year 2014-15.

Government has constituted a 'National Investment Fund' (NIF) into which the proceeds from disinvestment of Government equity in selected CPSEs is channelized. The funds so credited to NIF will be withdrawn and used for Recapitalisation of Public Sector Banks's and investment in Indian Railways towards capital expenditure in 2015-16. Other receipts pertaining to transfer of SDRs to Reserve Bank of India and consideration received in lieu.

**3.01. Market Loans:** Government of India raises its market loans under the Scheme of Sale of Dated Government Securities by Auction from 1992-93. These auctions are conducted by the Reserve Bank of India, as debt manager to the Central Government. Apart from Fixed Coupon Securities, Government has also issued Floating Rate Bonds (FRBs) on which the coupon rate, payable semi annually, are reset semi-annually by adding a 'spread', determined through auction. Since 2002-03, Central Government has been announcing half-yearly Indicative Market Borrowing Calendar based on its core borrowing requirements. Details of repayments in 2015-16 are given in Annex-13. Conversion of Special Securities/ Recapitalisation Bonds: 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 issued in conversion are given in Annex-6A. Government of India has also completed the conversion of Recapitalisation Bonds with the Nationalised Banks into SLR marketable securities during the year 2007-08 (details in Annex 6B).

**3.03. Short Term Borrowings (364 /182/91 Days Treasury Bills):** The Treasury bills offer short-term investment opportunity to financial institutions, banks, etc. Primarily, these are issued under the normal auction programme of the Government and also provide option for non-competitive bids. The amount for weekly auction of 91-days treasury bill and fortnightly auction of 182-days and 364-days treasury bills is notified in indicative quarterly calendar. Central Government also issues 14 days Intermediate Treasury Bills for deployment of short term cash surpluses by State Governments.

**3.03.05. Cash Management Bills:** Cash Management Bills are issued to meet the temporary cash flow mismatches of the Government. The Cash Management Bills are a non-standard, discounted instruments issued for maturities less than 91 days, and are issued when necessary.

**4. 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 Deposits, Post Office Monthly Account, Senior Citizens Savings Scheme, National Savings Certificate ( VIII-Issue), National Savings Certificate ( IX-Issue), Public Provident Fund, Kisan Vikas Patra and Sukanya Samridhi Account.

The rate of interest on small savings schemes has been aligned with G-Sec rates of similar maturity, with a spread of 25 basis points (bps) with three exceptions. The spread on 10 year NSC (New instrument) will be 50 bps, on Sukanya Samridhi Account 75 bps and on Senior Citizens Savings Scheme 100 bps. The interest rates for every financial year will be notified before 1st April of that year.

**4.01. Securities issued against Small Savings:** Collections under various small saving schemes, net of withdrawals, during the financial year form the sources of fund for National Small Savings Fund (NSSF). The net collection is invested in Central and State Government Securities, which forms the application of funds under NSSF. Presently the term of Central and State Government Securities is 10 years, with no moratorium at 9.5 per cent interest rate. The State share is 50 per cent or 100 per cent of net collection within that State, as the State may opt. Redemption of these securities into NSSF is reinvested in Central and State Government Securities in ratio of 50:50 at the prevailing rate of interest.

As per recommendations of Thirteenth Finance Commission (FC-XIII), the States have been granted provisional relief, based on compliance with the fiscal targets in their respective FRBM Act. Accordingly, the interest rate on loans to States contracted till 2006-07 and outstanding as at the end of 2009-10 has been reset at 9 percent from the financial years 2010-11 and 2011-12 from the dates the FRBM Act is amended/enacted by the States.

Interest payment to subscribers and cost of management constitute the expenditure under the fund and interest on Central and State Government Securities forms the income of the fund.

The sources and applications of NSSF are shown in Annexure 7A and details of various components of NSSF are shown in Annexure 7B.

**6.02. 8% Savings (Taxable) Bonds, 2003:** 8% Savings (Taxable) Bonds, 2003 were introduced w.e.f. 21st April, 2003 to enable resident citizens/charitable institutions/ Universities etc. to invest their savings in taxable bonds without any monetary ceilings. The bonds will have maturity of six years carrying interest at 8 percent 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. However, from August 19, 2008, they are eligible as collateral security for loans from scheduled banks. Premature encashment has been allowed vide Government of India's notification dated July 29, 2013 for individual investor in the age group of 60 years and above after minimum lock in period from the date of issue as given below:

(a) Lock in period for investors in the age bracket of 60 to 70 years shall be 5 years from the date of issue;

(b) Lock in period for investors in the age bracket of 70 to 80 years shall be 4 years from the date of issue;

(c) Lock in period for investors in the age bracket of 80 years and above shall be 3 years from the date of issue.

**6.03. 6.5% Savings (Non-taxable) Bonds, 2003:** 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. These Saving Bonds are due for redemption and started maturing for repayment w. e. f. March 24, 2008

**6.04. Other Receipts (Public account other than State Provident Fund):** Railway Reserve Funds: A snapshot of the Railway Reserve Funds may be seen at Annex -14. The details of each of them is as follows:

(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.

(b) Railway Depreciation Reserve Fund: provides for replacement and renewal of assets including the improvement element.

(c) Railway Development Fund : This Fund, set up in 1950, 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.

(d) Railway Capital Fund : was created in 1992-93 to enable the Railways to utilise 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.

(e) Debt Service Fund : has been created from 2013-14 to make adequate provision for future committed liabilities like debt service payment for loans taken, future Pay Commissions/Awards, etc. The withdrawal from the Fund will be made as and when these liabilities become due.

(f) 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.

**6.06. 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) are reflected. The details of each of the IFIs are as below:

**6.06.01. International Monetary Fund:** India's current quota in the IMF is SDR (Special Drawing Rights 5821.50 million, giving it a shareholding of 2.44%. Based on voting share, India (Together with its constituency countries viz. Bangladesh, Bhutan and Sri Lanka) is ranked 17th in the list of 24 constituencies

The IMF reviews members' quotas once in five years and the last such review took place in December, 2010. India has already consented to its quota increase under the 2010 review and after the 2010 quota review comes into effect, our quota share will increase from the current 2.44% to 2.75%, making India the eight largest quota holding country at the IMF up from its previous position of being the 11th largest. In absolute terms, India's quota increase to SDR 13,114.4 million from SDR 5,821.5 million. While 25% of quota increase is to be paid in cash (reserve currency), the balance 75% can be paid in securities. These securities are non-interest bearing note purchase agreements issued by RBI and can be encashed at any time required by the IMF. They do not entail any cash outgo unless the IMF calls upon India to encash a portion of these notes. The reserve asset portion of Quotas is counted as part of country's Reserves.

India's contribution to borrowing arrangements of the IMF: The Fund also supplements its quota resources temporarily through borrowing arrangements. In July 2010, India committed a maximum of up to USD 14 billion for the New Arrangements to Borrow (NAB) into which the previous Note or Securities issued by RBI on behalf of Government of India and can be drawn by IMF as and when it requires emergency funding. After the 2010 quota increase comes into effect, our NAB commitment is expected to be rolled back to about US \$ 7.0 billion. These notes do not represent a cash outgo until the IMF makes a call upon India. These borrowings are treated as part of India's reserves.

In the wake of the ongoing Eurozone crisis, the IMF has proposed a new bilateral borrowing programme to augment its resources for crisis prevention and resolution and to meet the potential financing needs of all IMF members. 37 members representing three-fifths of the total quota of the IMF, have pledged contributions to enhance the IMF's resources by US \$

456 billion. At the Los Cabos Summit of the G 20 held on June 19th, 2012, BRICS countries have announced their contributions, including US\$ 10 billion by India. The total commitments amount to US\$ 461 Billion from 38 countries.

The IMF has committed that these new resources will be drawn only if they are needed as a second line of defence after resources already available from quota and existing borrowing arrangements are substantially used. If drawn, they would be repaid with interest. It has been clarified that quota resources would remain the basic source of fund financing and that the role of borrowing is to temporarily supplement the quota resources.

The bilateral borrowing arrangement is in the form of Note Purchase Agreements (NPA) and will be used as a second line of defence only if the resources under Quota and NAB are substantially exhausted. The initial term of two years has been recently extended by one-year following IMF Board approval. The Agreement for this borrowing programme 2012 has been finalized in consultation with Reserve Bank of India (RBI) and International Monetary Fund (IMF). The Note Purchase Agreement has been signed between RBI & IMF on 19.09.2013. A MOU has been signed between Government of India and RBI on 19th December, 2013.

The Financial Transactions Plan of the International Monetary Fund is the mechanism through which the Fund finances its lending and repayment operations, to its members, in the General Resources Account. The members of the Fund can take loans from IMF with limits corresponding to their quota. IMF lends to its members in both foreign exchange and SDRs. Credit extended in foreign exchange is financed from the quota resources made available to the IMF members.

India has agreed to participate on in the FTP of the IMF with effect from the quarter Sept. Nov 2002. Participation in the FTP, made India a creditor member with the IMF. Under this, India is asked to make a purchase (issuance of credit) or a repurchase (debt servicing by our debtor) under the FTP. By participation in FTP, India is allowing IMF to encash its rupee holding as part of India's quota contribution, for hard currency which is then lent to other member countries who are debtors to the IMF. While the participation in FTP allows India to earn additional interest on its enhanced credit tranche position with IMF, the encashment of interest free rupee securities may lead to higher borrowing cost as well as deterioration of fiscal position. To assess this problem, it has been decided to replace special securities issued to IMF by non-interest bearing non-marketable securities to be issued to the RBI.

**6.06.04. 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.

**6.06.05. African Development Fund (AFDF) and African Development Bank (AFDB):** AFDF and 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.

**7. External Loan:** Budget 2015-16 assumes a gross receipt of ₹ 34373.35 crore and repayment of ₹ 23200.00 crore, resulting in net external loan of ₹ 11173.35 crore.

**7.01. Multilateral Agencies:** The net receipts estimated for BE 2015-16 from International Monetary Fund, International Bank for Reconstruction and Development, International Development Association, International Fund for Agricultural Development, Asian Development Bank, Eastern European Community(SAC) and Organisation of the Petroleum Exporting Countries is ₹ 6237.03 crore.

**7.02. Bilateral Agencies:** The net receipts estimated for BE 2015-16 from Japan, Germany, France, Italy, Switzerland, USA and Russian Federation is ₹ 4936.32 crore.

**9. Market Stabilisation Scheme:** The Memorandum of Understanding (MoU) relating to MSS has been amended to enable, on mutual agreement between the Government of India and the Reserve Bank of India, 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. An equivalent amount of Government securities issued under the MSS would form part of the normal market borrowing of the Government of India. Net receipts under MSS in 2015-16 is estimated at ₹ 20,000 crore.