# *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 2009-10 and between latter and Budget Estimates for 2010-11 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 2009-10 | Revised 2009-10 | Budget 2010-11 |
|---|---|---|---|---|
| **A.** | **Non-debt Receipts** | | | |
| 1 | Recoveries of loans & advances | 4224.89 | 4254.09 | 5128.87 |
| 2 | Miscellaneous capital receipts | 1120.00 | 25958.08 | 40000.00 |
| **B.** | **Debt Receipts** | | | |
| 3 | Market Loans | 397957.46 | 398411.02 | 345010.00 |
| 4 | Short term borrowings | ... | (-) 3904.00 | ... |
| 5 | External Loan (Net) | 16046.57 | 16535.44 | 22464.09 |
| 6 | Securities issued against Small Savings | 13255.52 | 13255.52 | 13255.52 |
| 7 | State Provident Funds (Net) | 5000.00 | 8500.00 | 7000.00 |
| 8 | Other Receipts (Net) | (-) 31263.82 | (-) 13177.14 | (-) 6321.10 |
| **C.** | **Total Capital Receipts** | **406340.62** | **449833.01** | **426537.38** |
| 9 | Draw-down of Cash Balance | … | (-) 5580.70 | … |
| **D.** | **Debt receipts to finance Fiscal Deficit** | **400995.73** | **414040.14** | **381408.51** |
| **E.** | **Receipts under MSS (Net)** | **(-) 38772.78** | **(-) 86035.78** | **47263.00** |

### 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 2009-10 | Revised 2009-10 | Budget 2010-11 |
|---|---|---|---|
| *Recoveries from:* | | | |
| (i) State Governments | 2549.21 | 2708.82 | 3816.53 |
| (ii) Union Territories (with Legislature) | 111.49 | 107.32 | 107.36 |
| (iii) Others | 1564.19 | 1437.95 | 1204.98 |
| *(a) Foreign Governments* | *257.55* | *247.45* | *261.97* |
| *(b) Public Sector Enterprises, statutory bodies, etc* | *1306.64* | *1190.50* | *943.01* |
| **TOTAL- Recoveries of Loans and Advances** | **4224.89** | **4254.09** | **5128.87** |
| (a) The recoveries from State Governments exclude short-term ways and means advances | 1000.00 | 1000.00 | 1000.00 |
| (b) The recoveries from others exclude recoveries from Government servants, etc. which are netted in the Expenditure Budget | 495.00 | 495.00 | 495.00 |
| (c) Recoveries from Stressed Assets Stabilisation Fund utilized towards redemption of Bonds | ... | 400.00 | ... |

(i) **Recoveries from State Governments:** Receipts from State Governments are estimated at Rs. 2708.82 crore in RE 2009-10 and at Rs. 3816.53 crore in BE 2010-11. The receipts in RE 2009-10 include waiver of loans to State Governments which are matched by equivalent expenditure.

(ii) **Recoveries from Union Territories (with Legislature):** The recoveries are in respect of loans advanced to the Union Territory of Puducherry 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 2009-10 | Revised 2009-10 | Budget 2010-11 |
|---|---|---|---|
| (a) Foreign Governments | 257.55 | 247.45 | 261.97 |
| (b) Public Sector Enterprises, statutory bodies, etc. | 1306.64 | 1190.50 | 943.01 |
| **Total** | **1564.19** | **1437.95** | **1204.98** |

## 2. MISCELLANEOUS CAPITAL RECEIPTS

In RE 2009-10, proceeds of Rs.25000 crore on account of disinvestment of part of government equity in Central Public Sector Enterprises (CPSEs) in National Hydroelectric Power Corporation (NHPC), National Thermal Power Corporation (NTPC), Oil India Ltd. (OIL), Rural Electrification Corporation Ltd. (REC), and National Mineral Development Corporation Ltd. (NMDC) have been estimated. Government has constituted a “National Investment Fund” (NIF) into which the proceeds from disinvestment of Government equity in select CPSEs is channelized. The funds so credited to NIF will be withdrawn and used for part funding the Social Sector schemes namely, Mahatma Gandhi National Rural Employment Guarantee Scheme, Indira Awaas Yojana , Rajiv Gandhi Gramin Vidyutikaran Yojana, Jawaharlal Nehru National Urban Renewal Mission, Accelerated Irrigation Benefits Programme and Accelerated Power Development Reform Programme as grants in aid for creation of capital assets. This arrangement will be in place upto 2011-12.

Other than this, receipts of Rs.958.08 crore have been assumed on account of bonus shares issued by Indian Oil Corporation Ltd. (IOC) in RE 2009-10.

In BE 2010-11 disinvestment proceeds have been estimated at Rs.40000 crore through disinvestment of part of government equity in various CPSEs.

## 3. 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. 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 has also issued Floating Rate Bonds (FRB) on which the coupon rate, payable semi annually, are reset semi-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 182 days Treasury Bills in the three preceding auctions. Since 2002-03, Central Government has been announcing half-yearly Indicative Market Borrowing Calendar based on its core borrowing requirements.

The Revised Estimate of net market borrowing of Central Government through issue of dated securities is Rs.398411.02 crore. Taking into account the repayments amounting to Rs.52588.98 crore, RE of gross market borrowing is fixed at Rs.451000 crore.

The net market borrowing of the Central Government through issue of dated securities in 2010-11 is estimated to be Rs. 345010.00 crore. Gross market borrowing in BE 2010-11 is placed at Rs.457143.06 crore, taking into account scheduled repayment of Rs.112133.06 crore. Details of repayments in 2010-11 are tabulated below:-

### BUDGET ESTIMATES 2010-11

Market loans with outstanding balance indicated against each are due for discharge in 2010-11 :

*(in crore of Rupees)*

| | | |
|---|---|---|
| 1. | 7.50% Loan 2010 | 1456.22 |
| 2. | 7.55% Govt. Stock, 2010 | 23000.00 |
| 3. | 11.50% Govt. Stock, 2010 | 7152.81 |
| 4. | 12.25% Govt. Stock, 2010 | 15515.00 |
| 5. | 11.30% Govt. Stock, 2010 | 33683.00 |

| | | |
|---|---|---|
| 6. | 8.75% Loan 2010 | 500.22 |
| 7. | 12.32% Govt. Stock, 2011 | 9462.00 |
| 8. | 6.57% Govt. Stock, 2011 | 20817.00 |
| 9. | 6.72% Govt. Stock, 2007/2012* | 546.81 |
| | **Total** | ***112133.06*** |

* *The redemption for 2010-11 also includes Rs. 546.81 crore in respect of 6.72% GS 2007/2012 (the bond with call and put option became exercisable from the year 2007). Rs 2453.19 crore have already been paid in the year 2007-08, in terms of the put option exercised by the investor.*

Further, the following dated securities issued under Market Stabilisation Scheme (MSS) are also due for discharge in 2010-11, the expenditure for which would be met out of the separate MSS cash balance held with RBI:

*(in crore of Rupees)*

| | | |
|---|---|---|
| 1. | 7.55% Govt. Stock, 2010 | 2420.00 |
| 2. | 11.30% Govt. Stock, 2010 | 317.00 |
| ***Grand Total*** | | ***2737.00*** |

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.

Following this amendment, Rs.45,000 crore were transferred in installments from the MSS cash account to the normal cash account of the Government of India during 2008-09 and 2009-10.

**CONVERSION OF SPECIAL SECURITIES/RECAPITILISATION 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. 4A.

Government of India has also completed the conversion of Recapitalisation Bonds with the Nationalised Banks into SLR marketable securities during the year 2007-08 (vide details in Annex 4B).

**4. 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 notified amount for fortnightly auction of 364 days treasury bills is Rs.1000 crore; 91 days treasury bills weekly auction amount is Rs.2000 crore and notified fortnightly auction amount for 182 days treasury bills is Rs.1000 crore since $31^{st}$ March 2009.

Central Government also issues 14 days Intermediate Treasury Bills for deployment of short term cash surpluses by State Governments. During 2009-10 investments in 14 days Treasury Bills have continued to be high on account of persistence of large surplus cash balance of State Governments.

**5. EXTERNAL LOAN**

Budget 2010-11 assumes a gross receipt of Rs. 34735.42 crore and repayment of Rs. 12271.33 crore, resulting in net external loan of Rs. 22464.09 crore.

The net receipt from external loan is placed at Rs. 16535.44 crore in RE 2009-10.

A summary of estimates of receipts of external loan and repayment of the principal in 2009-10 and in 2010-11 is given below:

*(in crore of Rupees)*

| | Budget 2009-10 | Revised 2009-10 | Budget 2010-11 |
|---|---|---|---|
| **A. Gross Receipts** | **27080.41** | **27765.93** | **34735.42** |
| **B. Repayments** | **(-) 11033.84** | **(-) 11230.49** | **(-) 12271.33** |
| **C. Net Receipts** | **16046.57** | **16535.44** | **22464.09** |

Further details are given in Annex 2 to this document.

## 6. (I) 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.

In order to make the small savings schemes more attractive, the Government has amended the Post Office Savings Account Rules, with effect from 13th October, 2009 to allow opening of “Zero Deposit/Zero Balance” accounts for Old Age Pensioner Account under Indira Gandhi National Old Age Pension Scheme, Widows Pensioner Account under Indira Gandhi National Widow Pension Scheme and Disabled Pensioner Account under Indira Gandhi National Pension Scheme.

***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. States’ share of net collections (deposits minus withdrawals by the subscribers) under small savings schemes in each State and Union Territory (with legislature) is advanced to the concerned State/ Union Territory Government as investment in its special securities and the balance, if any, invested in special Central Government securities. The sums received in NSSF on redemption of special securities are reinvested in special Central Government securities and with effect from 2007-08, the redemption values can be invested in other instruments. An enabling provision has already been made through suitable amendment to the National Small Savings Fund (Custody & Investment) Rules, 2001. Accordingly, a sum of rupees 1500 crore has been invested as loan at the rate of 9 per cent per annum (payable annually), to India Infrastructure Finance Company Limited (IIFCL) in 2007-08 for financing infrastructure development projects/schemes, and repayable by IIFCL in lump sum after a period of 15 years.

The debt servicing of Government securities is an income of the Fund while the cost of the interest paid to the subscribers and cost of management of small savings schemes are expenditure of the Fund. The special Central Government securities issued to NSSF constitute a part of the internal debt of the Government of India. Interest at the rate of 9.50 per cent per annum is payable on the special securities issued by State Governments since 1st April, 2003.

The Thirteenth Finance Commission in its report has recommended that the interest rate on loans from National Small Savings Fund (NSSF) to States contracted till the end of 2006-07 and outstanding as at the end of 2009-10 be reset at 9 per cent per annum. The implication of this relief during the award period (2010-2015) is estimated by the Commission to be Rs.13,517 crore. The financial implication over the entire period till the maturity of the last loan covered in this relief measure is estimated to be Rs.28,360 crore. The Commission has also recommended that structural reforms should be brought in the NSSF to make it more market linked. The Government has accepted **in principle** the recommendation relating to interest rate reset on NSSF loans to the States. However, since the recommendations are comprehensive and cover other structural aspects like interest rate mismatch, tenor mismatch and other administrative matters, Ministry of Finance will constitute a Committee to work out detailed modalities for implementation of this recommendation.

***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 2008-09, BE/RE 2009-10 and BE 2010-11 are tabulated in **Annex–8.**

**Table-I**

**SOURCES AND APPLICATION OF NATIONAL SMALL SAVINGS FUND**

*(In Crore of Rupees)*

| Particulars | Actuals 2008-2009 (Provisional) | RE 2009-2010 | BE 2010-2011 |
|---|---|---|---|
| **A. SOURCES OF FUNDS** | | | |
| **DEPOSITS UNDER SMALL SAVINGS SCHEMES** | | | |
| **Savings Deposits** | | | |
| Liabilities outstanding as on 1st April | 337819.50 | 328601.92 | 354201.92 |
| Accretion to liabilities during the year | - 9217.58 | 25600.00 | 26200.00 |

*(In Crore of Rupees)*

| | Particulars | Actuals 2008-2009 (Provisional) | RE 2009-2010 | BE 2010-2011 |
|---|---|---|---|---|
| | **Savings Certificates** | | | |
| | Liabilities outstanding as on 1st April | 208893.85 | 203729.94 | 209429.94 |
| | Accretion to liabilities during the year | - 5163.91 | 5700.00 | 9800.00 |
| | **Public Provident Fund** | | | |
| | Liabilities outstanding as on 1st April | 126875.22 | 131805.49 | 144005.49 |
| | Accretion to liabilities during the year | 4930.27 | 12200.00 | 14000.00 |
| | **Total Deposits** | **664137.35** | **707637.35** | **757637.35** |
| **B.** | **APPLICATION OF FUNDS** | | | |
| **(i)** | **Investment in Central Government Special Securities against outstanding balance as on 31.3.1999** | | | |
| | Investment as on 1st April | 73569.19 | 73569.19 | 73569.19 |
| | **Less**: Redemption of securities during the year | ... | ... | ... |
| **(ii)** | **Investment in Central Government Special Securities against collections from 1.4.1999** | | | |
| | Investment as on 1st April | 23433.51 | 22131.03 | 23328.55 |
| | Additional investment during the year | ... | 2500.00 | 2500.00 |
| | **Less**: Redemption of securities during the year | -1302.48 | -1302.48 | -1302.48 |
| **(iii)** | **Investment in Special State Government Securities against collections from 1.4.1999** | | | |
| | Investment as on 1st April | 457391.92 | 458556.02 | 483799.86 |
| | Additional investment during the year | 8409.65 | 36000.00 | 45000.00 |
| | **Less**: Redemption of securities during the year | -7245.55 | -10756.16 | -15140.66 |
| **(iv)** | **Re-investment in Central Government Special Securities out of the sums received on redemption of securities** | | | |
| | Investment as on 1st April | 98296.34 | 98296.34 | 110354.34 |
| | Additional investment during the year | ... | 12058.00 | 12058.00 |
| | **Less**: Redemption of securities during the year | ... | ... | ... |
| **(v)** | **15 Years, 9% Loan (2023) to India Infrastructure Finance Company Limited.** | | | |
| | Opening Balance as on 1st April | 1500.00 | 1500.00 | 1500.00 |
| | Additions during the year | ... | ... | ... |
| | **Less**: Repayments during the year | ... | ... | ... |
| | **TOTAL INVESTMENTS** | **654052.58** | **692551.94** | **735666.80** |
| | Accumulated Balance Income (-) / Expenditure (+) Account | 24515.63 | 26322.41 | 30614.87 |
| | Cash Balance | -14430.86 | -11237.00 | -8644.32 |
| | **TOTAL** | **664137.35** | **707637.35** | **757637.35** |

**(II) 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 also being run by the Central Government. Fresh deposits under both these schemes have been stopped with effect from the 10th July, 2004. Also, no interest accrues on the deposits in the existing accounts, 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 2008-2009 (Provisional) | RE 2009-2010 | BE 2010-2011 |
|---|---|---|---|
| GROSS | … | … | … |
| NET@ | - 6.07 | - 5.00 | - 5.00 |

@ *Minus net collections mean withdrawal of deposits by investors, there being no fresh deposits, due to closure of the schemes.*

**7. OTHER RECEIPTS**

(i) ***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.

(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. These Saving Bonds are due for redemption and started maturing for repayment w. e. f. March 24, 2008

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 2009-10 | Revised 2009-10 | Budget 2010-11 |
|---|---|---|---|
| Railway Pension Fund | | | |
| Cr. | 13641.01 | 13605.99 | 14640.51 |
| Dr. | 14000.00 | 15000.00 | 14000.00 |
| Net | (-) 358.99 | (-) 1394.01 | 640.51 |
| Railway Depreciation Reserve Fund | | | |
| Cr. | 5575.20 | 4787.26 | 7857.60 |
| Dr. | 7800.00 | 5921.82 | 7600.00 |
| Net | (-) 2224.80 | (-) 1134.56 | 257.60 |
| Railway Development Fund | | | |
| Cr. | 2138.29 | 1061.38 | 2840.64 |
| Dr. | 3315.00 | 2927.54 | 2700.00 |
| Net | (-) 1176.71 | (-)1866.16 | 140.64 |
| Railway Capital Fund | | | |
| Cr. | 957.55 | 314.27 | 487.25 |
| Dr. | 4000.00 | 3378.96 | 3340.00 |
| Net | (-) 3042.45 | (-) 3064.69 | (-) 2852.75 |
| Railway Safety Fund | | | |
| Cr. | 960.93 | 960.97 | 879.34 |
| Dr. | 1458.36 | 1457.85 | 1700.00 |
| Net | (-) 497.43 | (-) 496.88 | (-) 820.66 |
| **TOTAL** | **(-) 7300.38** | **(-) 7956.30** | **(-) 2634.66** |

(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 2009-10 is estimated at Rs.13605.99 crore, including Rs.55.99 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawal is estimated at Rs.15000 crore. During 2010-11 credit is estimated at Rs.14640.51 crore, including Rs.30.51 crore on account of interest. As against this, the withdrawal is estimated at Rs.14000 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.4787.26 crore in 2009-10, which is inclusive of Rs.187.26 crore of interest payable by General Revenues on the balance in the Fund. The outgo from the Fund has been estimated at Rs.5921.82 crore in 2009-10. For 2010-11, credit is estimated at Rs.7857.60 crore including Rs.157.60 crore on account of interest. Withdrawal is estimated at Rs.7600.00 crore.

(c) *Railway Development Fund:* This Fund, set up in 1950, is used for meeting expenditure on passengers and users' amenities, labour welfare works, un-remunerative 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 2009-10, the credit to the Railway Development Fund has been estimated at Rs.1061.38 crore comprising Rs.951.03 crore out of the anticipated excess and Rs.110.35 crore being the interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2009-10 has been estimated at Rs.2927.54 crore. Credit to the Fund during 2010-11 is placed at Rs.2840.64 crore including Rs.40.64 crore on account of interest. The withdrawal during 2010-11 is estimated at Rs. 2700.00 crore for works chargeable 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. Credit to the Fund in 2009-10 is estimated at Rs. 314.27 crore representing the interest earned on the Fund balance, whereas the outgo from the Fund has been estimated at Rs. 3378.96 crore. In 2010-11, this Fund will be credited with Rs. 487.25 crore including Rs. 114.16 crore of interest estimated to accrue on the balance in the Fund, whereas withdrawal is estimated at Rs. 3340.00 crore.

(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 2009-10 is placed at Rs.960.97 crore. The withdrawal is estimated at Rs.1457.85 crore. The credit during 2010-11 is estimated at Rs. 879.34 crore and the withdrawal is estimated at Rs.1700.00 crore.

(*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 2009-10 | | | Revised 2009-10 | | | Budget 2010-11 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Receipts | Discharges | Net | Receipts | Discharges | Net | Receipts | Discharges | Net |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1. International Monetary Fund | 0.01 | 14955.26 | (-)14955.25 | 12836.26 | 15587.86 | (-)2751.60 | ... | 0.01 | (-)0.01 |
| 2. International Bank for Reconstruction and Development | ... | 55.12 | (-)55.12 | ... | 55.12 | (-) 55.12 | ... | 55.20 | (-) 55.20 |
| 3. International Development Association | 0.01 | ... | 0.01 | ... | 0.01 | (-) 0.01 | ... | 0.01 | (-) 0.01 |
| 4. Asian Development Bank | ... | 16.90 | (-)16.90 | ... | 15.60 | (-) 15.60 | ... | 18.00 | (-)18.00 |
| 5. African Development Fund & Bank | 14.51 | 8.98 | 5.53 | ... | 18.78 | (-) 18.78 | ... | 18.84 | (-) 18.84 |
| **Total** | **14.53** | **15036.27** | **(-)15024.74** | **12836.26** | **15677.37** | **(-)2841.11** | **0.01** | **92.06** | **(-) 92.05** |

***IMF***

The estimates (in Rs. crores) relating to special securities issued towards India's subscriptions to IMF and certain transactions involving use of Special Drawing Rights (SDRs) are towards partly subscribing to India's impending quota increase at IMF; towards Maintenance of Value (MoV) obligations; and towards purchase transactions under the Financial Transaction Plan (FTP).

Under the MoV provision of the IMF'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 SDRs and an adjustment in the Fund's holdings of a member country's currency pursuant to this provision is made every year.

India is a participant in the SDR allocation of the IMF. The SDRs are used in transactions such as payment of charges and discharge of repurchase obligations including payment of additional subscription.

Purchase and repurchase transactions under FTP are debited / credited to the head 'special drawing rights' in the public account. Payments made to IMF in the form of SDR's are debited to the relevant expenditure head per contra credit to this head. Similarly receipts realized in the form of SDR's are credited to the relevant receipt heads by contra debit to this head.

*Fresh SDR Allocations*

Since 1981 the Net Cumulative Allocation (NCA) of SDRs to India had remained at SDRs 681.2 million. However, a general allocation of SDRs equivalent to about US$250 billion was made by IMF to its member countries in proportion to their existing quotas in the IMF on August 28, 2009. As a result, India has been allocated a total of SDR 3,082.5 million.

Additionally, the 4th Amendment to the IMF Articles of Agreement (providing for a special one-time allocation of SDRs) was approved and accordingly the special allocation was made by IMF to its members on September 9, 2009. As a result, India has been allocated a total of SDR 214.6 million.

Thus, during the year 2009-10, India has been allocated a total of SDR 3,297.1 million (SDR 3082.5 million plus SDR 214.6 million). Consequently, the Net Cumulative Allocation (NCA) of SDR by IMF to India now stands at SDR 3,978.26 million. Out of this NCA of SDR 3,978.26 million, India, as on 31st December 2009, is currently holding SDR 3,297.14 million which is 82.87% of its NCA.

***International Bank for Reconstruction and Development (IBRD)*:** With the conversion of maintenance of value (MOV) obligation into Special Dollar Denomination securities, no provision is required to be made in BE 2010-11.

Budget Estimate 2009-10 is of Rs.55.12 crore towards encashment of securities by IBRD. A similar provision of Rs.55.12 crore has been kept in RE-2009-10, whereas BE 2010-11 has been kept at Rs.55.20 crore.

***International Development Association (IDA)*:** No payment to IDA was envisaged in BE 2009-10 but a token provision of Rs.0.01 crore has been kept in RE 2009-10 and BE 2010-11.

***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.16.90 crore was made in BE 2009-10. RE 2009-10 and BE 2010-11 has been kept at Rs.15.60 crore and Rs.18.00 crore respectively.

***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.

In case of AFDB, under the Fifth General Capital Increase (GCI-V) of the capital stock of the African Development Bank, India's subscription comes out to be US $ 13 51112 which was to be paid in the eight equal installments of US $ 1,68,889 per year. The first installment towards GCI-V was paid in September-2000 and the 8th Installment was paid in 2007.

In case of African Development Fund (ADF), India's contribution to ADF-X, third and final installment was paid in the month of May 2007. Now ADF-XI replenishment of African Development Fund has started and India's subscription to ADF-XI amounts to Rs. 40.17 crore which will be payable in three equal annual installments of Rs 13.39 crore each during 2008 to 2010 . Apart from this an amount of Rs. 0.90 crore needs to be contributed to Multilateral Debt Relief Initiatives ( MDRI) during the year 2009-10 whereas Rs 1.12 crore is required during 2010-11. A provision of Rs. 14.30 crore has been kept at RE 2009-10 and Rs. 14.51 crore in BE 2010-11.

(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.