

## **PART B**

### **CAPITAL RECEIPTS**

#### **ESTIMATES OF CAPITAL RECEIPTS**

The Statement below summarises by broad categories the estimates of capital receipts. Further details together with brief notes explaining the variations between the Budget estimates and the Revised estimates for 2001-2002 and between the latter and Budget estimates for 2002-2003 are given in the notes that follow this statement. The borrowings and other debt included in the statement are net of repayments.

(in crore of Rupees)

	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
1. Market Loans	72852.53	88280.00	95859.00 <sup>#</sup>
2. Short term borrowings	4500.00	3200.00	...
3. External Assistance (Net)	1864.85	2054.14	770.36
4. Recoveries of loans & advances	15163.68	15143.00	17680.00
5. Disinvestment of equity holdings in Public sector enterprises and Departmental Commercial Undertakings, etc.	12000.00	5000.00	12000.00
6. Securities issued against Small Savings	9000.00	8640.00	8000.00
7. State Provident Funds (Net)	9500.00	9000.00	10000.00
8. Special Deposits of Non-Government PF, LIC, etc. (Net)	10252.57	10831.07	9898.20
9. Other Receipts (Net)	8344.17	5912.53	10997.01
<b>Total Capital Receipts *</b>	<b>143477.80</b>	<b>148060.74</b>	<b>165204.57</b>

<sup>#</sup> Budget Estimates 2002-2003 take into account the net effect of Budget proposals on the Government's revenues.

\* Annexure 9 gives a reconciliation of the above estimates with the Receipt estimates shown in the Annual Financial Statement.

#### **1. MARKET LOANS:**

In 1992-93 Government of India introduced a scheme of sale of dated Government securities by auction, which is conducted by the Reserve Bank of India at Mumbai. This marked a departure from the practice followed earlier in raising market loans by issuing loans at specific interest rates. Apart from open market borrowing raised through auctions, loans are also raised through other instruments like conversion of Treasury Bills into dated securities, Zero Coupon Bonds which do not carry any interest but are sold at a discount, Stock for which payment is made in instalments, Floating Rate Bonds, Capital Indexed Bonds, etc. During 2001-02 Government have also started a scheme of retail sale of Government Stocks.

A total sum of Rs. 1,11,000.00 crore on gross basis was raised through various instruments of market borrowing during the financial year 2001-2002 i.e. upto the end of 12th February, 2002.

#### **Budget Estimates 2002-2003**

The following loans with outstanding balances indicated against each are due for discharge in 2002-2003:

	(in crore of Rupees)
12.69% Government Stock, 2002	3000.00
11% Loan, 2002	2951.98
7.75% Loan, 2002	64.56
13.80% Government Stock, 2002	1500.00
13.40% Government Stock, 2002	1000.00
5.75% Loan 2002	388.58
12.75% Government Stock, 2002	1000.00
11.68% Government Stock, 2002	2500.00
11.15% Government Stock, 2002	5000.00
13.82% Government Stock, 2002	2000.00
6.50% Loan 2002	310.25
11.55% Government Stock, 2002	2000.00
6% Capital Indexed Bonds, 2002	704.52
<b>Total</b>	<b>22419.89</b>
<b>Add:</b> 11.15% Government Stock, 2002*	5000.00
<b>Grand Total</b>	<b>27,419.89</b>

\* Special Securities converted into marketable securities.

#### **2. SHORT TERM BORROWINGS (182/364 DAYS TREASURY BILLS):**

These Treasury Bills offer short-term investment opportunity to financial institutions (like banks, etc.) and other parties. 364 days Treasury Bills were introduced in 1992-93. 182 days Treasury Bills which were reintroduced from the year 1999-2000 have been discontinued after 14.5.2001. 364-days Treasury Bills are not rediscountable with the Reserve Bank of India and they are periodically offered for sale on auction basis, by the Reserve Bank of India at Mumbai. 364 days Treasury Bills are part of market loans.

**3. EXTERNAL ASSISTANCE :**

Budget 2001-2002 assumed a gross receipt of Rs. 11463.10 crore from external assistance (excluding external grants). As against this, the Revised Estimate 2001-2002 is placed at Rs.11297.50 crore. Gross receipts for 2002-2003 are estimated at Rs.11333.82 crore.

Budget 2001-2002 provided for repayments of Rs. 9598.25 crore against which the Revised Estimate is placed at Rs. 9243.36 crore. The repayments in 2002-2003 are estimated at Rs. 10563.46 crore.

The net receipts from external assistance is thus placed at Rs. 2054.14 crore in the Revised Estimate 2001-2002. Net receipts in B.E. 2002-2003 are placed at Rs.770.36 crore.

A summary of estimates of receipts of external assistance and repayment of the principal in 2001-2002 and in 2002-2003 is given below:

	<i>(in crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<b>A. Receipts</b>			
(i) External loans	10763.35	11197.50	11183.82
(ii) Receipts under Revolving fund	699.75	100.00	150.00
<b>Total Receipts :</b>	<b>11463.10</b>	<b>11297.50</b>	<b>11333.82</b>
<b>B. Repayments</b>	<b>(-) 9598.25</b>	<b>(-) 9243.36</b>	<b>(-) 10563.46</b>
<b>Net receipts :</b>	<b>1864.85</b>	<b>2054.14</b>	<b>770.36</b>

Further details are given in Annexure 2 to this document.

**4. RECOVERIES OF LOANS AND 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:

	<i>(in crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<i>Recoveries from:</i>			
(i) State Governments	10636.73	10285.20	13300.64
(ii) Union Territories (with Legislature)	174.25	126.76	162.57
(iii) Others	4352.70	4731.04	4216.79
(a) Foreign Governments	52.80	30.20	51.80
(b) Public Sector enterprises, statutory bodies, etc	4299.90	4700.84	4164.99
<b>TOTAL- Recoveries of Loans and Advances</b>	<b>15163.68</b>	<b>15143.00</b>	<b>17680.00</b>
(a) The recoveries from State Governments exclude Short-term ways and means Advances	2000.00	3000.00	2000.00
(b) The recoveries from non-Government parties exclude recoveries from Government servants, etc. which are netted in the Expenditure	325.00	390.00	400.00

(i) (a) & (b): In pursuance of the recommendations of the Eighth Finance Commission, as accepted by the Government, the Central loans advanced to the State Governments upto 1983-84, and outstanding as at the end of 1984-85, have been consolidated. For purposes of consolidation, the Finance Commission had treated loans advanced up to 1978-79 and those advanced during 1979-84 differently. While no change has been recommended in the terms of pre-1979 loans in the case of some States, these loans have been recommended to be consolidated into either 25 year loans or 30 year loans in the case of others. As regards loans advanced during 1979-84, these have been consolidated in the case of all the States with periods ranging from 15 years to 30 years. The Ninth Finance Commission in their First Report for 1989-90 and Second Report for 1990-95, the Tenth Finance Commission and Eleventh Finance Commission have not recommended any change in respect of these consolidated loans.

(c) In pursuance of the recommendations of the Ninth Finance Commission contained in its second Report for the period 1990-95, as accepted by the Government, the State Plan loans advanced to State Governments during 1984-89 and outstanding as at the end of 1989-90 have been consolidated into 15 year loans. The Tenth Finance Commission and Eleventh Finance Commission have not recommended any change in respect of these consolidated loans.

(d) In pursuance of the recommendations of the Ninth Finance Commission contained in the Second Report for the period 1990-95, as accepted by the Government, the remaining outstanding balance as on 31.3.1990, after write-off of the excess of Central loans received by the Government of Goa and Mizoram for plans upto 1986-87 as Union Territories, have been consolidated into 15 year Loans.

(e) These estimates related to loans sanctioned from 1984-85 other than loans for State Plan Schemes for the period 1984-85 to 1989-90 which were consolidated (vide (c) above). While the original Budget Estimates and the Revised Estimates 2000-2001 relate to recoveries in respect of loans advanced for Plan and Non-Plan purposes during 1984-85 to 1997-98, Budget 2001-2002 is based on loans advanced during those years and also loans advanced during 1998-99.

The maturity period of the loans sanctioned for State Plans from 1990-91 onwards will be 20 years, repayment being made in 20 equal annual instalments. However, fifty percent of these loans will enjoy a five year initial grace period, after which the repayments of these loans will be effected in 15 equal annual instalments. The Tenth Finance Commission in their report for 1995-2000 have not recommended any change in respect of these loans.

(f) Small Savings loans are also among those loans that are not covered by the scheme of consolidation of the Eighth Finance Commission. The recovery of these loans suspended earlier has been resumed from 1985-86. The Ninth, Tenth and Eleventh Finance Commission have not suggested any change in the existing terms and conditions relating to Central loans against the small savings collections. The transfer to State Governments/ Union Territory (with legislature) amounts of net small savings collections are in the form of investment in special security of States Governments/Union Territory (with legislature) grants w.e.f. 1.4.1999 and not as loans from Consolidated Fund of India.

These loans disbursed earlier carry moratorium of 5 years towards repayment of principal, and the period of repayment is 25 years including moratorium period. The increase in next year is due to commencement of the repayment instalment of loans advanced in 1992-93.

(g) The Tenth Finance Commission had recommended a scheme for debt relief linked to fiscal performance of each State. The admissible debt relief, during the award period of the Commission, is linked with the fiscal performance of the State. The improvement of fiscal performance is to be measured by comparing the ratio of revenue receipts (including devolution and grants from the Centre) to total revenue expenditure in a given year, with the average of the same measure in the three immediately preceding years. The debt relief in the form of write off of a certain percentage (ranging between zero to ten per cent) of repayment falling due to in respect of Central loans advanced to the States during 1989-95 and as outstanding on 31st March, 1995 is to be given. The percentage of relief would be twice the percentage of fiscal improvement. The relief due during 1999-2000 is to be given in 2000-01.

The Eleventh Finance Commission has recommended continuation of the scheme of debt relief recommended by Tenth Finance Commission, with enhanced incentive for States, during its award period. It has recommended that in calculation of revenue receipts of a State the revenue deficit grants should not be included. The percentage of relief would be five times of the percentage of fiscal improvement. The debt relief ranging between zero to twenty-five per cent of repayment falling due in respect of Central loans advanced to the States during 1994-99 and as outstanding on 31st March, 1999 is to be given.

(h) The recovery relates to Hirakud Stage-I loans advanced to Government of Orissa which are not covered by the scheme of consolidation.

The Revised Estimates for 2000-2001 take into account the effect of recommendations of the Tenth Finance Commission, regarding debt relief to States as accepted by the Government. In addition, it has been decided to waive the repayments obligation of the State Government of Punjab for the balance unpaid instalments for the year 1997-98, 1998-99 and 1999-2000 in respect of the special term loans extended to Govt. of Punjab from 1984-85 to 1993-94. RE 2000-2001 include waiver of Rs. 759.35 crore.

**(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:** 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. are estimated at Rs.4731.04 crore in RE 2001-2002. During 2002-2003, repayment estimates are placed at Rs. 4216.79 crore. The broad details are:—

(in crore of Rupees)

	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
(a) Foreign Governments	52.80	30.20	51.80
(b) Public Sector enterprises, statutory bodies, etc.	4299.90	4700.84	4164.99
<b>Total</b>	<b>4352.70</b>	<b>4731.04</b>	<b>4216.79</b>

## 5. DISINVESTMENT OF EQUITY HOLDINGS IN PUBLIC SECTOR ENTERPRISES AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS.

The receipts are on account of partial disinvestment of Central Government's holdings in the equity capital of selected public sector enterprises.

## 6. (A) NATIONAL SMALL SAVINGS FUND

(i) **National Small Savings Fund:** A "National Small Savings Fund" (NSSF) in the Public Account of India was established on 1.4.1999. A new sub sector has been introduced called "National Small Savings Fund" in the list of Major and Minor Heads of Government Accounts. All small savings collections (including Public Provident Fund) are credited to this Fund. Similarly, all withdrawals under small savings schemes by the depositors are made out of the accumulations in this Fund. The balance in the Fund is invested in Central and State Government Securities. The investment pattern is as per norms decided from time to time by the Government of India. From 2000-01, 80% and 20% of the net collections (gross collections minus withdrawals by depositors) is being invested by National Small Savings Fund in special securities issued by the State and Central Governments respectively. The debt servicing of these Government securities is an income of the Fund while the cost of the interest and cost of management of small savings schemes is an expenditure of the Fund.

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

(iii) Interest at the rate of 11 per cent per annum is payable on these special securities issued by the respective Governments during the year 2001-02.

(iv) **Share of States/UTs with legislature:** At present 80 per cent of the net collections under small savings schemes in each State and Union Territory (with Legislature) are invested in the securities of the States/UTs (with Legislature).

Further, with a view to encourage stable long term savings, an additional investment is made in the special securities of a State/ Union Territory (with Legislature) Government if the percentage of net small savings collections in the State/Union Territory (with Legislature) exceeds the all India percentage by more than 5 per cent. The additional investment is to the extent of 2.5 per cent of the net collections in the State/Union Territory (with Legislature) for every 5 per cent increase in the State's/Union Territory's (with Legislature) percentage over the all India percentage.

(v) Sources and Application of National Small Savings Fund are shown in the Table-I hereunder:

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

(In Crore of Rupees)

	2000-2001 (Provisional Actual)	2001-02 (R.E.)	2002-03 (B.E.)
1	2	3	4
<b>SOURCES OF FUNDS</b>			
<b><i>Savings Deposits</i></b>			
Liabilities outstanding as on 1st April	60638.68	80653.72	104298.72
Accretion to liabilities during the year	20015.04	23645.00	23350.00
<b><i>Savings Certificates</i></b>			
Liabilities outstanding as on 1st April	122246.22	138040.74	148445.74
Accretion to liabilities during the year	15794.52	10405.00	7530.00
<b><i>Public Provident Fund</i></b>			
Liabilities outstanding as on 1st April	31906.55	41454.23	50604.23
Accretion to liabilities during the year	9547.68	9150.00	9120.00
<b>Total Deposits</b>	<b>260148.69</b>	<b>303348.69</b>	<b>343348.69</b>

1	2	3	4
<b>APPLICATION OF FUNDS</b>			
<b>Investment in Central Government Special Securities against outstanding balance as on 31.3.1999</b>			
Investment as on 1st April	176220.92	176220.92	176220.92
Additional investment during the year	...	...	...
<b>Investment in Central Government Special Securities against collections from 1.4.1999</b>			
Investment as on 1st April	8978.88	17295.14	25935.14
Additional investment during the year	8316.26	8640.00	8000.00
<b>Investment in State Government Special Securities against collections from 1.4.1999</b>			
Investment as on 1st April	26936.65	60201.70	94761.70
Additional investment during the year	33265.05	34560.00	32000.00
<b>Total Investment in Securities</b>	<b>253717.76</b>	<b>296917.76</b>	<b>336917.76</b>
Balance Income/Expenditure Account	5209.68	4777.02	6211.62
Cash Balance	1221.25	1653.91	219.31
<b>TOTAL</b>	<b>260148.69</b>	<b>303348.69</b>	<b>343348.69</b>

(vi) The details about various components of National Small Savings Fund (viz: Receipts, Disbursements, Investments, Income and Expenditure of NSSF) containing 'Actuals' for 2000-2001 (Provisional), BE & RE 2001-02 and BE 2002-03 are tabulated in Annexure - 8.

(vii) **Small Savings Schemes:** Small savings schemes currently in force are Post Office Savings Accounts, Post Office Time Deposits, Post Office Recurring Deposits, National Savings Scheme 1992, Post Office Monthly Income Account, National Savings Certificate VIII-Issue, Kisan Vikas Patra and Public Provident Fund.

#### **6.(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 are also run by the Government of India. Estimates of gross and net collections under these schemes are shown in Table II hereunder:

**Table II**

(In Crore of Rupees)

	Provisional Actuals: 2000-01	RE 2001-02	BE 2002-03
GROSS	271	700	800
NET	244	650	720

**7. STATE PROVIDENT FUNDS:** The transactions under this head relate to various Provident Funds of Government employees. Credit assumed is net of the deposits into the funds including interest and withdrawals / temporary advances therefrom. Effective from 1.4.2000, the deposits carry interest at 11 per cent per annum. Net accretions to the Funds were assumed at Rs. 7500 crore in Budget 2000-2001 against which the R.E. is placed at Rs. 8500 crore. Budget 2001-2002 assumes a net accretion of Rs. 9500 crore.

**8. SPECIAL DEPOSIT SCHEMES:** Accretions in the special deposits with Government by non-Government provident funds, superannuation and gratuity funds and of surplus funds of Life Insurance Corporation, Employees' State Insurance Corporation, etc. are estimated at Rs. 9215.27 crore in Revised Estimate 2000-2001. Budget Estimate 2001-2002 assumes a net accretion of Rs. 10252.57 crore.

**9. OTHER RECEIPTS:** These show the net effect of transactions occurring under other funds and accounts, deposits etc., heads. Some of the items included here are:

(i) **Relief Bonds** : 10% Relief Bonds, 1993 was introduced from 15th March, 1993 which replaced the 9% Relief Bonds, 1987. With the general reduction of interest rates the issue of 10% Relief Bonds was suspended and a new series of 9% Relief Bonds, 1993 was introduced with effect from 2.9.1993. However, keeping in view the general rise of interest rates in 1995-96, a new series of 10%

Relief Bonds, 1995 was introduced with effect from 4.10.1995. Further in tune with the reduction of interest rates in the case of some Small Saving Instruments, the rate of interest on the Relief Bonds was also reduced by 1% and a new series of "9% Relief Bonds, 1999" was introduced with effect from 1.1.1999 and 8.5% Relief Bonds, 2001 was introduced w.e.f. 15.3.2001. It is open to investment without limit by individuals and Hindu Undivided Family. Joint holding of the Bonds by individuals is permissible. The bonds carry tax-free interest and have a maturity period of 5 years. Budget Estimates 2001-2002 assumed sale of the bonds, net of repayments at Rs. 3000 crore. Against it, Revised Estimate 2001-2002 was kept at Rs. 4500.00 crore. Budget Estimate 2002-2003 also assumes a net receipt of Rs. 6500.00 crore.

**(ii) Railway Reserve Funds:**

(in Crore of Rupees)

	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<b>Railway Pension Fund</b>			
Cr.	6012.33	5809.24	6223.89
Dr.	5800.00	5600.00	6000.00
Net	(+) 212.33	(+) 209.24	(+) 223.89
<b>Railway Depreciation Reserve Fund</b>			
Cr.	2811.06	1896.70	2107.35
Dr.	2704.00	1572.00	2045.00
Net	(+) 107.06	(+) 324.70	(+) 62.35
<b>Railway Development Fund</b>			
Cr.	511.03	452.03	550.04
Dr.	511.00	452.00	550.00
Net	(+) 0.03	(+) 0.03	(+) 0.04
<b>Railway Capital Fund</b>			
Cr.	18.91	18.93	19.03
Dr.	17.43	17.43	17.43
Net	(+) 1.48	(+) 1.50	(+) 1.60
<b>Railway Safety Fund</b>			
Cr.	311.77	302.73	452.73
Dr.	300.00	203.00	450.00
Net	(+) 11.77	(+) 99.73	(+) 2.73
<b>Special Railway Safety Fund</b>			
Cr.	...	1400.00	2210.00
Dr.	...	1400.00	2210.00
Net	...	...	...
<b>TOTAL</b>	<b>(+) 332.67</b>	<b>(+) 635.20</b>	<b>(+) 290.61</b>

(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 2001-2002 is estimated at Rs. 5809.24 crore, including Rs. 9.24 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawals are estimated at Rs. 5600 crore. During 2002-2003 credit is estimated at Rs. 6223.89 crore, including Rs. 23.89 crore on account of interest. As against this the withdrawal is estimated at Rs. 6000 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. 1896.70 crore in 2001-2002, which is inclusive of Rs. 16.26 crore of interest payable by General Revenues on the balance in the fund. The outgo from the fund has been estimated at Rs. 1572.00 crore in 2001-2002. For 2002-2003, credit is estimated at Rs. 2107.35 crore including Rs. 29.35 crore on account of interest. Withdrawal is estimated at Rs. 2045.00 crores.

(c) *Railway Development Fund:* was set up in 1950 on the recommendation of the Railway Convention Committee, 1949, to meet the cost of all works for providing amenities to passengers and other railway users, the cost of labour welfare works and the entire expenditure on unremunerative improvement works costing more than a prescribed limit. Consequent upon closure of Accident Compensation and Passenger Amenities Fund from 1.4.93, Safety and Passengers Amenities works chargeable to ACSPF are also charged to Railway Development Fund. 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 to 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 2001-2002, the credit to the Railway Development Fund has been estimated at Rs. 452.03 crore comprising Rs. 452.00 crore out of the anticipated excess in 2001-2002 and Rs. 0.03 crore being the interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2001-2002 has been estimated at Rs. 452.00 crore. Credit to the Fund during 2002-2003 is placed at Rs. 550.04 crore, Rs. 550.00 crore out of anticipated excess in 2002-2003 and Rs. 0.04 crore being the interest payable on the balance in the Fund. The withdrawals during 2002-2003 is estimated at Rs. 550.00 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. The credit to the Fund in 2001-2002 is estimated at Rs. 18.93 crore which is inclusive of Rs. 1.50 crore of interest payable by general revenues on the balance in the fund. Against this, withdrawal is estimated at Rs. 17.43 crore, representing the amount of interest payable to the General Revenues on the loan of Rs. 249.00 crore obtained from them in 2000-2001. Credit to the Fund during 2002-2003 is placed at Rs. 19.03 crore including Rs. 1.60 crore being the interest payable on the balance in the Fund. The withdrawal, like 2001-2002, is estimated at Rs. 17.43 crore in 2002-2003.

(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 would be financed through the Railway revenues i.e. out of the 'Excess' left after payment of dividend to General Revenues, 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 2001-2002 is placed at Rs. 302.73 crore. The withdrawal is estimated at Rs. 203.00 crore. The credit during 2002-2003 is estimated at Rs. 452.73 crore and the withdrawal is estimated at Rs. 450.00 crore.

(f) *Special Railway Safety Fund (SRSF)*: Pursuant to the recommendation of the Railway Safety Review Committee (1998) a Special Railway Safety Fund with a corpus of Rs. 17000 crore has been set up in the current year 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. 12,000 crore will be provided by the MOF and the balance Rs. 5000 crore will be mobilised by the Railways through levy of safety surcharge on passenger fares. The SRSF is a non-interest bearing Fund.

An amount of Rs. 1400 crore, representing Rs. 1000 crore received from the General Revenues and Rs. 400 crore being the Railways' share, is being credited to the fund in the current year. The outgo from the fund has also been placed at the level of Rs. 1400 crore. During 2002-2003, the credit to the fund is estimated at Rs. 2210 crore, comprising of Rs. 1350 crore being transferred by the General Revenues and Rs. 860 crore being the Railways' share. The withdrawal from the fund has also been kept at Rs. 2210 crore in 2002-2003.

### (iii) 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 2001-2002			Revised 2001-2002			Budget 2002-2003		
	Receipts	Discharges	Net	Receipts	Discharges	Net	Receipts	Discharges	Net
1	2	3	4	5	6	7	8	9	10
1. International Monetary Fund	...	...	...	...	0.80	-0.80	872.13	...	872.13
2. International Bank for Reconstruction and Development	0.01	37.60 (-)	37.59	0.01	35.00	-34.99	82.17	35.00	47.17
3. International Development Association	...	0.56 (-)	0.56	...	0.55	-0.55	3.75	...	3.75
4. International Fund for Agricultural Development	0.01	6.00	-5.99	19.19	6.00	13.19	20.00	6.00	14.00
5. Asian Development Bank	20.00	5.00	15.00	22.28	13.43	8.85	10.00	5.00	5.00
6. African Development Fund and African Development Bank	8.77	3.12	5.65	8.80	3.93	4.87	9.81	4.39	5.42
<b>Total:</b>	<b>28.79</b>	<b>52.28</b>	<b>-23.49</b>	<b>50.28</b>	<b>59.71</b>	<b>-9.43</b>	<b>997.86</b>	<b>50.39</b>	<b>947.47</b>
<b>S.D.Rs</b>	<b>176.03</b>	<b>171.24</b>	<b>4.79</b>	<b>150.93</b>	<b>110.72</b>	<b>40.21</b>	<b>1013.81</b>	<b>1008.85</b>	<b>4.96</b>

*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. For the year 2001-2002 we did not have any provision under the head. No expenditure has been made and no further expenditure is expected during the remaining part of the year. For the year 2002-2003 a provision of Rs. 872.13 crores has been projected as BE.

On account of repurchase transactions during 2002-2003 necessitated by drawing down of the rupee balances in IMF Account No.1, the rupee securities are required to be encashed to IMF Account No. 1. We had kept 'nil' provisions for the purpose in BE 2001-2002 which has been revised to Rs. 0.80 crore in RE 2001-2002. 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 2002-2003 for encashment of the 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 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.

The Fund 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 2001-2002, no provision was made under the head. In view of the similar reasons the provisions in RE 2001-2002 will remain 'nil'. Further, there is no requirement for any provision in Budget for 2002-2003.

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 is 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.150.9302 crore in the Revised Estimate 2001-2002 of which Rs. 150.9302 would be contra debited to SDR A/c. The total debits to the head Special Drawing Rights amount to Rs. 110.7175 crore in the Revised Estimates 2001-2002, of which Rs. 110.7175 crore would be contra-credited to the SDR Account. During 2002-2003 a debit of Rs. 1008.8522 crore would be contra-credited.

*International Bank for Reconstruction and Development (IBRD):* A provision of Rs. one lakh was made both in BE and RE 2001-2002 and a 'nil' provision in RE 2001-2002 on account of Maintenance of Value Payments (MOV). However, a provision of Rs. 82.17 crores has been kept in BE 2002-2003 for this purpose.

Budget Estimate 2001-2002 included a provision of Rs. 37.6 crore towards encashment of securities by IBRD. A provision of Rs. 35 crores each has been kept in RE 2001-2002 and BE 2002-2003 respectively, for the purpose.

*International Development Association (IDA):* A nil provision was made in BE 2001-2002 for IDA-12 subscription as India was required to make this payment on call. For BE 2002-2003, a provision of Rs. 3.75 crores has been made.

For encashment of securities in respect of IDA, a token provision of Rs. 56 lakh was kept in BE 2001-2002. For RE 2001-2002, a provision of Rs. 55 lakhs has been made. No provision has been kept for BE 2002-2003.

*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 \$ 39 million towards the resources of IFAD till December 2001. The payments are made by the issue of non-negotiable, non-interest bearing rupees securities held in favour of IFAD by Reserve Bank of India, except for an amount of US\$ 4 million, which was made by cash through RBI in November, 2001 towards the 1st installment of the 5th Replenishment.

*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. 13.43 crore for such encashment has been made in the RE 2001-2002. Provision of Rs. 5.00 crore has been made for BE 2002-2003.

*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.

2. As a member of AFDF and AFDB, India has to pay its shares of commitments to the capital replenishments of these organisations. Upto ADF VIII replenishments, India has contributed a total amount of Rs. 122.48 crore to the resources of the African Development



Fund. Negotiations for IX replenishment of African Development Fund are in progress. Till date 4 rounds of consultative meeting were over. It is estimated that India's contribution to ADF-IX may be the order of UA 42,12,238 i.e. Rs. 25.66 crores. This amount is required to be paid in 3 instalments. The payment of first instalment of Rs. 9 crore approximately under ADF-IX is likely to fall due during 2002-2003. On the basis of the present encashment schedule of ADF, we have to encash securities of Rs. 3,11,85,000 in 2001-2002 and Rs. 3,57,87,500 in 2002-2003.

3. Upto GCI-IV, India has made subscription of Rs. 5.40 crore to the capital stock of the African Development Bank. Negotiations for GCI-V have been concluded. 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 instalments. The payment of 1st instalment of UA = 1,40,000 equivalent of US\$ 1,68,889 equivalent to Rs. 78,29,694 has been paid in 2000-2001 to the African Development Bank. Second instalment of Rs. 80,81,339 have been paid also in 2001-2002 in notes encashable on demand in a freely convertible currency to the African Development Bank. Third installment of Rs. 80,81,339 approximately will be paid in 2002-2003 in notes encashable on demand in a freely convertible currency to the African Development Bank.

**(iv) 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. In consideration of the reduction in excise and customs duties on crude oil and petroleum products during 2000-2001, the balances under the deposit account of the Oil Co-ordination Committee are not being carried forward to the next year's accounts. This is being done on a proforma basis.