

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 2007-08 and between Revised Estimates for 2007-08 and Budget Estimates for 2008-09 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 2007-2008	Revised 2007-08	Budget 2008-09
A. Non-debt Receipts			
1 Recoveries of loans & advances	1500.00	4497.44	4497.51
2 Miscellaneous capital receipts	41651.00	36125.36	10165.00
B. Debt Receipts			
3 Market Loans	109579.24	110670.87	100571.00
4 Short term borrowings	1748.00	25553.00	12429.00
5 External Loan (Net)	9110.55	9970.01	10989.27
6 Securities issued against Small Savings	10510.00	-1802.48	9872.52
7 State Provident Funds (Net)	5000.00	4800.00	4800.00
8 Other Receipts (Net)	15000.00	12644.98	(-) 12600.22
C. Total Capital Receipts	194098.79	202459.18	140724.08
9 Draw-down of Cash Balance	...	(-) 18183.95	7224.34
D. Debt receipts to finance Fiscal Deficit	150947.79	143652.43	133285.91
E. Receipts under MSS (Net)	10000.00	154831.02	29806.00

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 'other' entities including Foreign governments and PSEs/Statutory bodies etc. are as follows:

(in crore of Rupees)

	Budget 2007-2008	Revised 2007-08	Budget 2008-09
<i>Recoveries from:</i>			
(i) State Governments	500.00	2400.00	2563.20
(ii) Union Territories (with Legislature)	93.00	102.94	102.94
(iii) Others	907.00	1994.50	1831.37
(a) Foreign Governments	84.69	96.50	97.63
(b) Public Sector Enterprises, statutory bodies, etc	822.31	1898.00	1733.74
TOTAL- Recoveries of Loans and Advances	1500.00	4497.44	4497.51
(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	530.00	510.00	495.00

(i) **Recoveries from State Governments:** Receipts from State Governments are estimated at Rs. 2400 crore in RE 2007-2008 and at Rs. 2563.20 crore in BE 2008-2009 .

(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 entities 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 2007-2008	Revised 2007-08	Budget 2008-09
(a) Foreign Governments	84.69	96.50	97.63
(b) Public Sector Enterprises, statutory bodies, etc.	822.31	1898.00	1733.74
Total	907.00	1994.50	1831.37

2. MISCELLANEOUS CAPITAL RECEIPTS

In RE 2007-08 disinvestment proceeds of Rs.1651 crore on account of disinvestment of small portion of govt. equity in Rural Electrification Corporation (REC), Power Grid Corporation Limited (PGCIL) and National Hydroelectric Power Corporation (NHPC) have been estimated. Provision for transfer of the same amount to National Investment Fund has been made in the Demand No. 44 Department of Disinvestment. Government has constituted a "National Investment Fund" (NIF) into which the proceeds from disinvestment of Government equity in select CPSEs would be channelized. The NIF would be maintained outside the Consolidated Fund of India and would be professionally managed by selected Public Sector Mutual Funds to provide sustainable returns without depleting the corpus. The transactions have been so accounted as to make these deficit-neutral. Other than this, receipts of Rs.165.76 crore have been assumed on account of bonus shares issued by BHEL during the year. Receipts of Rs.34308.60 crore are from the one time transfer by RBI of the proceeds on account of transfer of its stake in SBI to Government of India.

In BE 2008-09 disinvestment proceeds of Rs.1165 crore have been estimated. This includes disinvestment of small portion of equity in Rural Electrification Corporation (REC) and National Hydroelectric Power Corporation (NHPC). Provision for transfer of the same amount to National Investment Fund has been made in the Demand No. 44-Department of Disinvestment. Rs. 9000 crore receipts have been taken from SUTI.

3. MARKET LOANS

Government of India raises its market loans under the Scheme of Sale of Dated Government Securities by Auction started in 1992-93. These auctions are conducted by the Reserve Bank of India, as debt manager to the Central Government. This scheme marked a departure from the practice followed earlier in raising market loans by issuing loans at specified interest rates. Under the scheme, apart from Fixed Coupon Securities, Government also issues Floating Rate Bonds (FRB) on which the coupon rate, payable semi annually, are reset annually by adding a 'spread', determined in the auction, on the variable base rate calculated as the average of the implicit yields at cut off prices of 364 days Treasury Bills in the three preceding auctions; Zero Coupon Bonds which do not carry any coupon but are sold at a discount; Capital Indexed Bonds, which provide inflation-indexation to the principal amount. 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.110670.87 crore. Taking into account the repayments amounting to Rs.45329.13 crore, RE of gross market borrowing is fixed at Rs.156000 crore.

These estimates do not take into account issue of dated securities amounting to Rs.12102.04 crore in August- September- 2007 as part of phased conversion of Recapitalization Bonds issued to Nationalized Banks as these are essentially conversion of special securities into SLR securities, not utilized to finance fiscal deficit (Vide details in Annex 4B).

The net market borrowing of the Central Government through issue of dated securities in 2008-09 is estimated to be Rs.100571.00 crore. Gross market borrowing in BE 2008-09 is placed at Rs.145146.04 crore, taking into account scheduled repayment of Rs.44575.04 crore. Details of repayments in 2008-09 are as below.

BUDGET ESTIMATES 2008-2009

The following market loans with outstanding balance indicated against each are due for discharge in 2008-09:

(in crore of Rupees)

1.	12.00% Government Stock, 2008	12000.00
2.	11.50% Loan, 2008	6976.68
3.	12.10% Government Stock, 2008	3384.74
4.	10.80% Loan, 2008	361.81
5.	12.22% Government Stock, 2008	1295.00
6.	11.40% Government Stock, 2008	10000.00
7.	12.25% Government Stock, 2008	5510.00
8.	6.72% Government Stock 2007/2012*	546.81
	Total	40075.04
<i>Add:</i>		
#9.	4.88% Govt. Stock, 2008	4500.00
	Grand Total	44575.04

* The redemption for 2008-09 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 crores have already been paid in the year 2007-08, in terms of the put option exercised by the investor).

Special Securities converted into Marketable Securities.

There are no dated securities issued under MSS which are due for discharge in 2008-09.

CONVERSION OF SPECIAL SECURITIES

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

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

The treasury bills offer short-form investment opportunity to financial institution, 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 has been Rs.1000 crore since 2002-03; 91 days treasury bills weekly auction amount has been Rs.500 crore since 2003-04 and notified fortnightly auction amount for 182 days treasury bills has been Rs.500 crore since introduction in 2005-06.

Central Government also issues 14 days Intermediate Treasury Bills for deployment of short term cash surpluses by State Governments. During 2007-08, investments in 14 days Treasury Bills continue to be high on account of persistence of large surplus cash balance of State Governments. However, no receipt is estimated on this account.

5. EXTERNAL LOAN

Budget 2008-09 assumes a gross receipt of Rs. 19209.93 crore and repayment of Rs. 8220.66 crore, resulting in net external loan of Rs. 10989.27 crore.

The net receipt from external loan is placed at Rs. 9970.01 crore in RE 2007-08.

A summary of estimates of receipts of external loan and repayment of the principal in 2007-2008 and in 2008-2009 is given below:

(in crore of Rupees)

	Budget 2007-08	Revised 2007-08	Budget 2008-09
A. Gross Receipts	17451.52	17402.60	19209.93
B. Repayments	(-) 8340.97	(-) 7432.59	(-) 8220.66
C. Net receipts	9110.55	9970.01	10989.27

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 and investor friendly, the Government has made the following amendments in these schemes:-

- (i) the restriction of not opening more than one account during a calendar month under the Senior Citizens Savings Scheme, has been removed with effect from 24th May, 2007,
- (ii) all categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Account Rules, with effect from 11th July, 2007,
- (iii) with effect from 10th February, 2006, the penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalized from 3.5% to 2% on withdrawal after one year but on or before expiry of three years and 1% on withdrawal after expiry of three years,
- (iv) with effect from the 1st August, 2007, the maximum deposit ceilings of rupees 3.00 Lakh and 6.00 Lakh under the Post Office Monthly Income Account (POMIA) scheme have been enhanced to rupees 4.5 Lakh and 9.00 Lakh in respect of single and joint accounts respectively,
- (v) the maturity bonus @ 5% of the deposits has been made available in respect of the deposits made under POMIA scheme on or after the 8th December, 2007; and
- (vi) the deposits made with effect from 1st April, 2007 under the Post Office Time Deposits(5 years) and the Senior Citizens Savings Scheme shall qualify for rebate under Section 80-C of the Income Tax Act,1961 within the specified ceilings.

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 2001-2002. 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 2007-2008, the redemption values are also proposed to be invested in other instruments in implementation of the announcement of the Finance Minister in the Parliament, made while presenting the Union Budget 2007-2008 on 28th February, 2007. 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 is proposed as loan investment @ 9% per annum (payable annually), to India Infrastructure Finance Company Limited (IIFCL) 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 interest paid to 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 continues to be payable on the special securities issued by State Governments since 1st April, 2003.

Impact of the Recommendations of the NDC Sub-Committee on NSSF :

Pursuant to the recommendations of the Sub-Committee of the National Development Council, set up on the "Debt Outstandings of the States against the National Small Savings Fund" on 16th September, 2005 under the Chairmanship of Union Finance Minister with Deputy Chairman, Planning Commission, Governor, RBI/his representative, Finance Ministers of Andhra Pradesh, Chhattisgarh, Punjab, Tamil Nadu and West Bengal, Secretary (Expenditure), and Secretary (Economic Affairs), Ministry of Finance as its members, the Government has-

- (i) allowed the State/Union Territory (with legislature) Governments to opt for a percentage of their share of net small savings collections between 80 per cent to 100 per cent from the current year onwards,
- (ii) reduced and reset the rates of interest payable on the special securities issued by the State/Union Territory (with legislature) Governments to the National Small Savings Fund (NSSF) against their share of net small savings collections during the years: 1999-2000 to 2001-2002 from 13.5%, 12.5% and 11% per annum to 10.5% per annum with effect from the 1st April, 2007; and
- (iii) allowed the State/Union Territory (with legislature) Governments to prepay a part of their liabilities towards NSSF. The requests of the Governments of Tamil Nadu, Orissa and National Capital Territory of Delhi to prepay a part of their liabilities to the NSSF, have been acceded to.

Consequent to the resetting of interest rates on special State Government securities issued to NSSF during 1999-2000 to 2001-2002, there will be a loss of around Rs. 765 crore during 2007-2008 and Rs. 1450 crore during 2008-2009 in the interest income of NSSF. The premature discharge of their liabilities towards NSSF by the State/UT Governments will also reduce the interest income of the Fund.

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 2006-2007, BE & RE 2007-2008 and BE 2008-2009 are tabulated in **Annexure – 8**.

Table-I**SOURCES AND APPLICATION OF NATIONAL SMALL SAVINGS FUND AS ON 31ST MARCH, 2008***(In Crore of Rupees)*

Particulars	Actuals 2006-2007	RE 2007-2008	BE 2008-2009
A. SOURCES OF FUNDS :			
DEPOSITS UNDER SMALL SAVINGS SCHEMES			
SAVINGS DEPOSITS			
Liabilities outstanding as on 1st April	317665.39	347611.58	353511.58
Accretion to liabilities during the year	29946.19	5900.00	14300.00

(In Crore of Rupees)

Particulars	Actuals 2006-2007	RE 2007-2008	BE 2008-2009
SAVINGS CERTIFICATES			
Liabilities outstanding as on 1st April	203689.11	212702.96	215202.96
Accretion to liabilities during the year	9013.85	2500.00	3500.00
PUBLIC PROVIDENT FUND			
Liabilities outstanding as on 1st April	95762.00	114296.60	123896.60
Accretion to liabilities during the year	18534.60	9600.00	12200.00
TOTAL DEPOSITS	674611.14	692611.14	722611.14
B. APPLICATION OF FUNDS :			
(i) Investment in Special Central Government Securities against outstanding balance as on 31.3.1999			
Investment as on 1st April	83569.19	83569.19	73569.19
Less: Redemption of securities during the year	...	-10000.00	...
(ii) Investment in Special Central Government Securities against collections from 1.4.1999			
Investment as on 1st April	25600.75	24735.99	24933.51
Additional investment during the year	0.00	1500.00	2500.00
Less: Redemption of securities during the year	-864.76	-1302.48	-1302.48
(iii) Investment in Special State Government Securities against collections from 1.4.1999			
Investment as on 1st April	391302.21	452063.88	461192.89
Additional investment during the year	63746.05	16000.00	26000.00
Less: Redemption of securities during the year	-2984.38	-6870.99	-7374.07
(iv) Reinvestment in Special Central Government Securities out of the sums received on redemption of securities			
Investment as on 1st April	94447.60	98296.34	106296.34
Additional investment during the year	3848.74	8000.00	8675.00
Less: Redemption of securities during the year	...	...	...
(v) 15 Years, 9% Loan (2023) to India Infrastructure Finance Company Ltd.			
Opening Balance as on 1st April	...	...	1500.00
Additions during the year	...	1500.00	...
Less: Repayments during the year	...	...	...
TOTAL INVESTMENTS	658665.40	667491.93	695990.38
Accumulated balance Income(-)/Expenditure(+) Account	26138.00	24137.02	25585.30
Cash Balance	-10192.26	982.19	1035.46
TOTAL	674611.14	692611.14	722611.14

(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 since 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 2006-2007	RE 2007-2008	BE 2008-2009
GROSS#	32	10	10
NET@	(-) 532	(-) 290	(-) 190

the figures represent interest not drawn by the subscribers and credited to their accounts.

@ Minus net collection means withdrawal of deposits by investors, without 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 ceiling. The bonds will have maturity of six years carrying interest at 8 per cent per annum payable half yearly. Both cumulative and non-cumulative options are available. The bonds are not transferable, tradable in the secondary market and are not eligible as collateral security for loans from banking institutions, non-banking financial companies or financial institutions.

(ii) **6.5% Savings (Non-taxable) Bonds, 2003** were introduced with effect from 24th March, 2003 to enable resident citizens to invest their savings in tax-free bonds without any monetary ceiling. The Scheme has been discontinued with effect from close of business on July 9, 2004. These Saving Bonds are due for redemption and will start 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 2007-08	Revised 2007-08	Budget 2008-09
Railway Pension Fund			
Cr.	8883.02	8494.13	9855.07
Dr.	8160.00	8130.00	9600.00
Net	(+) 723.02	(+) 364.13	(+) 255.07
Railway Depreciation Reserve Fund			
Cr.	5675.65	5786.53	7291.39
Dr.	6070.00	6250.00	8500.00
Net	(-) 394.35	(-) 463.47	(-) 1208.61
Railway Development Fund			
Cr.	2646.75	2617.93	1148.81
Dr.	2257.00	2357.00	2840.00
Net	(+) 389.75	(+) 260.93	(-) 1691.19
Railway Capital Fund			
Cr.	8750.18	11684.78	11591.83
Dr.	8219.10	6908.60	9200.00
Net	(+) 531.18	(+) 4776.18	(+) 2391.83
Railway Safety Fund			
Cr.	727.26	727.26	776.47
Dr.	1050.69	1050.60	1300.00
Net	(-) 323.43	(-) 323.34	(-) 523.53
Special Railway Safety Fund			
Cr.	1217.52	1165.00	...
Dr.	1882.00	1826.00	...
Net	(-) 664.48.	(-) 661.00	...
TOTAL	(+) 261.69	(+) 3953.43	(-) 776.43

(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 2007-2008 is estimated at Rs.8494.13 crore, including Rs.134.13 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawal is estimated at Rs.8130.00 crore. During 2008-2009 credit is estimated at Rs.9855.07 crore, including Rs.155.07 crore on account of interest. As against this, the withdrawal is estimated at Rs.9600.00 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.5786.53 crore in 2007-2008, which is inclusive of Rs.236.53 crore of interest payable by General Revenues on the balance in the Fund. The outgo from the Fund has been estimated at Rs.6250.00 crore in 2007-2008. For 2008-2009, credit is estimated at Rs.7291.39 crore including Rs.191.39 crore on account of interest. Withdrawal is estimated at Rs.8500.00 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 the fund, 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 2007-2008, the credit to the Railway Development Fund has been estimated at Rs.2617.93 crore comprising Rs.2359.00 crore out of the anticipated excess and Rs.258.93 crore being the interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2007-2008 has been estimated at Rs.2357.00 crore. Credit to the Fund during 2008-2009 is placed at Rs.1148.81 crore, made up of Rs.947.00 crore out of anticipated excess and Rs. 201.81 crore being the interest payable on the balance in the Fund. The withdrawal during 2008-2009 is estimated at Rs. 2840.00 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 2007-2008 is estimated at Rs.11684.78 crore including Rs. 509.70 crore on account of interest whereas the outgo from the Fund has been estimated at Rs. 6908.60 crore. In 2008-09, this Fund will be credited with Rs. 11591.83 crore including Rs. 752.09 crore of interest payable on the balance in the Fund whereas withdrawal is estimated at Rs. 9200.00 crore in this year.

(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 2007-2008 is placed at Rs.727.26 crore while the withdrawal is estimated at Rs.1050.60 crore. The credit during 2008-2009 is estimated at Rs.776.47 crore and the withdrawal is estimated at Rs.1300.00 crore.

(f) *Special Railway Safety Fund (SRSF)*: pursuant to the recommendation of the Railway Safety Review Committee (1998), a Special Railways Safety Fund has been set up w.e.f. 2001-02 to wipe out arrears of replacement and renewals of over-aged railway assets within a fixed time frame of 6 years. The SRSF is a non-interest bearing Fund. As agreed by the Government, this Fund has received about Rs. 12,000 crore from the Ministry of Finance and balance of around Rs. 5000 crore from the Railways through levy of safety surcharge on passenger fares and Railway revenues. The shortfall in collection of the safety surcharge is being made good by the railways out of its revenues.

An amount of Rs.1165.00 crore, representing the contribution received from the General Revenues towards Railways' share is being credited to the Fund in the current year. This along with the balance lying to the credit of SRSF will take care of the outgo from the fund, which is estimated at Rs. 1826.00 crore in 2007-08. As such, this Fund will come to an end in 2007-08 with the balance, if any, as on 1.4.2008 transferred to the Depreciation Reserve Fund, along with the works remaining to be completed from the SRSF.

(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 2007-2008			Revised 2007-08			Budget 2008-09		
	Receipts	Discharges	Net	Receipts	Discharges	Net	Receipts	Discharges	Net
1	2	3	4	5	6	7	8	9	10
1. International Monetary Fund	39.57	0.01	39.56	...	1440.88	(-) 1440.88	...	...	...
2. International Bank for Reconstruction and Development	...	113.15	(-) 113.15	...	113.15	(-) 113.15	...	113.15	(-) 113.15
3. International Development Association	0.01	...	0.01	...	...	...	...	...	...
4. Asian Development Bank	...	11.60	(-) 11.60	...	9.16	(-) 9.16	...	15.00	(-) 15.00
5. African Development Fund & Bank	14.18	15.03	(-) 0.85	13.65	18.87	(-) 5.22	19.76	6.62	13.14
6. Multilateral Investment Guarantee Agency (MIGA)	...	...	...	...	...	...	...	...	...
Total	53.76	139.79	(-) 86.03	13.65	1582.06	(-) 1568.41	19.76	134.77	(-) 115.01
S.D.Rs	220.46	133.65	86.81	177.71	1668.08	-1490.37	163.47	179.64	-16.17

International Monetary Fund (IMF): Under the 'Maintenance of Value' provision of the Fund's Article of Agreement, the value of the currencies of members held in the General Resources Account is required to be maintained in terms of the Special Drawing Rights

and an adjustment in the Fund's holdings of a member's currency pursuant to this provision is made on the occasion of the use of that currency in an operation or transaction between the Fund and another member and at such other times as the Fund may decide or the member may request. In BE 2008-09 Nil provision is made under this head.

On account of re-purchase transactions during 2007-2008 a provision of Rs. 39.57 crore has been kept. The exchange rate variations necessitate by drawing down of the rupee balances in IMF Account No.1, and the rupee securities are required to be encashed to replenish IMF Account No. 1 with RBI. In RE 2007-2008, Nil amount has been provided.. The repurchase programme of IMF facility during 1991-93 having been completed. No provision has been kept for repurchase transaction in BE 2008-09.

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

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

India has already completed repurchases against various facilities drawn by it. Therefore, during 2007-2008, no provision was made under the head. There is no requirement for any provision in BE for 2008-2009.

Purchase and repurchase transactions are debited/credited to the head "Special Drawing Rights" in the Public Account. Payments made to the IMF in the form of SDRs are debited to the relevant expenditure heads per contra-credit to this head. Similarly, receipts realised in the form of SDRs are credited to the relevant receipt heads by contra-debit to this head. The total credits to the head 'Special Drawing Rights' amounted to Rs.177.71 crore in the Revised Estimate 2007-2008 of which Rs. 177.71 crore would be contra credit to SDR A/c. The total debits to the head Special Drawing Rights amount to Rs. 1668.08 crore in the Revised Estimates 2007-2008, of which Rs.1668.08 crore would be contra-credited to the SDR Account. During 2008-2009 there will be a credit of Rs.163.47 crore and a debit of Rs.179.64 crore.

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 2008-2009.

Budget Estimate 2007-2008 and RE 2007-2008 included a provision of Rs.113.15 crore towards encashment of securities by IBRD. A provision of Rs.113.15 crore has also been kept in BE 2008-2009.

International Development Association (IDA): India's contribution to the IDA-14 Replenishment has been kept nil in RE 2007-2008 and BE 2008-2009 .

For encashment of securities for IDA, no provision was made in 2007-2008. Similarly, no provision has been made in BE 2008-09.

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. India has contributed \$ 67 million towards the of IFAD till 2006 The payment are made by the issue of Non- Negotiable, Non- Interest bearing Rupee securities held in favour of IFAD by RBI upto 4th replenishment, from 5th replenishment onward, the Government of India has made payments in cash.

Asian Development Bank (ADB): The Asian Development Bank keeps Rupee securities with the Reserve Bank of India which can be encashed by it to meet its rupee expenditure in India from time to time. A provision of Rs.11.60 crore has been made in BE 2007-08. RE 2007-2008, BE 2008-2009 has been kept at Rs.9.16 crore and Rs.15.00 crore respectively.

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

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 \$ 13,51,112 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 7th Installment was paid in 2006. The 8th and last Installment was paid in Sept/Oct. 2007. So, far the decision has not been taken AFDB for starting GCI-VI, However, a provision has been kept in RE-2007-08 at Rs.00 .78 crore and BE at Rs. 0.78 crore

In case of African development Fund, India's contribution to ADF-X, third and final installment was paid in the month of May 2007. The consultation meetings are on for deciding the amount of contribution for ADF-11 replenishment. However a provision of Rs. 12.87 crore has been kept at RE2007-2008 and Rs. 18.98 crore in BE 2008-09.

Multilateral Investment Guarantee Agency (MIGA): No payment is envisaged in 2007-2008 and 2008-2009 for encashment of security created in favour of Multilateral Investment Guarantee Agency (MIGA).

(v) **Other Items:**

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