

## Capital Receipts

Tax Revenue		Major Head	(In crores of Rupees)			
			Actual 2012-2013	Budget 2013-2014	Revised 2013-2014	Budget 2014-2015
<b>Non debt Receipts</b>						
<b>1. Recoveries of Loans &amp; Advances</b>						
1.01.	State Governments					
1.01.01.	Gross Receipts	7601	9395.94	9406.48	9439.64	9685.63
1.01.02.	Recoveries	7601	...	-1000.00	-1000.00	-1000.00
<i>Net-State Governments</i>			<i>9395.94</i>	<i>8406.48</i>	<i>8439.64</i>	<i>8685.63</i>
1.02.	Union Territories (With Legislature)	7602	115.07	141.45	146.54	146.54
1.03.	Foreign Governments	7605	277.00	274.25	383.79	379.20
1.04.	Other Loans & Advances (Public Sector Enterprises, Statutory Bodies etc.)					
1.04.01.	Gross Receipts	9001	18043.56	12231.83	14337.82	12605.82
1.04.02.	Recoveries	9001	-11564.04	-10400.01	-12505.00	-11290.00
<i>Net-Other Loans &amp; Advances (Public Sector Enterprises, Statutory Bodies etc.)</i>			<i>6479.52</i>	<i>1831.82</i>	<i>1832.82</i>	<i>1315.82</i>
<i>Net-Recoveries of Loans &amp; Advances</i>			<i>16267.53</i>	<i>10654.00</i>	<i>10802.79</i>	<i>10527.19</i>
<b>2. Miscellaneous Capital Receipts</b>						
2.01.	Disinvestment Receipts	4000	25889.80	40000.00	16027.00	36925.00
2.02.	Divestment of Government stake in non Government Companies	4000	...	14000.00	3000.00	15000.00
2.03.	Writeback of amounts with AMC	4000	...	1814.00	1814.00	...
2.04.	Others	4000	...	...	5000.00	5000.00
<i>Total-Miscellaneous Capital Receipts</i>			<i>25889.80</i>	<i>55814.00</i>	<i>25841.00</i>	<i>56925.00</i>
<b>Total-Non debt Receipts</b>			<b>42157.33</b>	<b>66468.00</b>	<b>36643.79</b>	<b>67452.19</b>
<b>Debt Receipts</b>						
<b>3. Borrowings</b>						
3.01.	Market Loans					
3.01.01.	Gross Borrowings	6001	558000.00	579008.84	563910.71	597000.00
3.01.02.	Repayments	6001	-90643.52	-95008.84	-95008.84	-139678.57
<i>Net-Market Loans</i>			<i>467356.48</i>	<i>484000.00</i>	<i>468901.87</i>	<i>457321.43</i>
3.02.	Buy Back / Switches					
3.02.01.	Gross Borrowings	6001	...	50000.00	30601.21	50000.00
3.02.02.	Repayments	6001	...	-50000.00	-45601.21	-50000.00
<i>Net-Buy Back / Switches</i>			<i>...</i>	<i>...</i>	<i>-15000.00</i>	<i>...</i>
3.03.	Short Term Borrowings					
3.03.01.	14 day Treasury Bills					
3.03.01.01.	Gross Borrowings	6001	2437545.91	2413650.00	2109774.25	2343495.00
3.03.01.02.	Repayments	6001	-2416965.94	-2413650.00	-2130450.00	-2343495.00
<i>Net</i>			<i>20579.97</i>	<i>...</i>	<i>-20675.75</i>	<i>...</i>
3.03.02.	91 Day Treasury Bills					
3.03.02.01.	Gross Borrowings	6001	542925.51	592890.18	590547.94	632588.51
3.03.02.02.	Repayments	6001	-562439.26	-573045.72	-559423.26	-618134.64
<i>Net</i>			<i>-19513.75</i>	<i>19844.46</i>	<i>31124.68</i>	<i>14453.87</i>
3.03.03.	182 Day Treasury Bills					
3.03.03.01.	Gross Borrowings	6001	129434.08	130007.00	131087.56	149197.96
3.03.03.02.	Repayments	6001	-117239.25	-130007.00	-125298.91	-149197.96
<i>Net</i>			<i>12194.83</i>	<i>...</i>	<i>5788.65</i>	<i>...</i>
3.03.04.	364 Day Treasury Bills					
3.03.04.01.	Gross Borrowings	6001	130470.80	130473.85	136909.26	157006.51
3.03.04.02.	Repayments	6001	-90381.65	-130473.85	-130468.55	-136906.51
<i>Net</i>			<i>40089.15</i>	<i>...</i>	<i>6440.71</i>	<i>20100.00</i>
3.03.05.	Cash Management Bills					
3.03.05.01.	Gross Borrowings	6001	...	100000.00	107195.00	100000.00
3.03.05.02.	Repayments	6001	...	-100000.00	-107195.00	-100000.00
<i>Net</i>			<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>

		(In crores of Rupees)				
Tax Revenue	Major Head	Actual 2012-2013	Budget 2013-2014	Revised 2013-2014	Budget 2014-2015	
3.03.06.	Ways & Means Advances					
3.03.06.01.	Gross Borrowings	6001	124648.00	500000.00	315078.00	500000.00
3.03.06.02.	Repayments	6001	-124648.00	-500000.00	-315078.00	-500000.00
	<i>Net</i>		...	...	...	...
	<i>Net-Short Term Borrowings</i>		53350.20	19844.46	22678.29	34553.87
	<i>Net-Borrowings</i>		520706.68	503844.46	476580.16	491875.30
<b>4.</b>	<b>Securities against Small Savings</b>					
4.01.	Receipts	6001	9928.00	7100.00	12907.00	9531.00
4.02.	Repayments	6001	-1302.48	-1302.48	-1302.48	-1302.48
	<i>Net-Securities against Small Savings</i>		8625.52	5797.52	11604.52	8228.52
<b>5.</b>	<b>State Provident Funds</b>					
5.01.	Receipts	8009	45919.40	44000.00	46000.00	48000.00
5.02.	Disbursements	8009	-34998.95	-34000.00	-36000.00	-36000.00
	<i>Net-State Provident Funds</i>		10920.45	10000.00	10000.00	12000.00
<b>6.</b>	<b>Other Receipts ( Internal Debts and Public Account)</b>					
6.01.	Relief Bonds					
6.01.01.	Receipts	6001	12.46	...	...	...
6.01.02.	Disbursements	6001	-14.63	-32.36	-48.91	-30.84
	<i>Net-Relief Bonds</i>		-2.17	-32.36	-48.91	-30.84
6.02.	Saving Bonds					
6.02.01.	Receipts	6001	547.72	591.06	285.22	297.00
6.02.02.	Disbursements	6001	-5427.68	-1079.92	-552.38	-1157.71
	<i>Net-Saving Bonds</i>		-4879.96	-488.86	-267.16	-860.71
6.03.	Others					
6.03.01.	Receipts	6001	...	...	...	...
6.03.02.	Disbursements	6001	...	...	...	...
	<i>Net-Others</i>		...	...	...	...
6.04.	Post Office Life Insurance Fund (POLIF)					
6.04.01.	Receipts	6001	6893.68	...	...	...
6.04.02.	Disbursements	6001	...	...	...	...
	<i>Net-Post Office Life Insurance Fund (POLIF)</i>		6893.68	...	...	...
6.05.	Other Receipts (Public Account Other than State Provident Funds)					
6.05.01.	Receipts	9002	609928.45	560136.27	550209.43	591695.49
6.05.02.	Disbursements	9002	-616459.04	-544756.30	-541417.61	-577448.43
6.05.03.	Less - Receipts	9002	...	...	...	...
	<i>Net-Other Receipts (Public Account Other than State Provident Funds)</i>		-6530.59	15379.97	8791.82	14247.06
6.06.	International Financial Institutions					
6.06.01.	International Monetary Fund					
6.06.01.01.	Receipts	6001	4005.04	42000.01	192.79	500.01
6.06.01.02.	Repayments	6001	-1675.00	-2514.98	-2514.98	-2514.98
6.06.01.03.	Less - Receipts netted	6001	-4155.00	-42149.18	-424.11	-2282.82
	<i>Net</i>		-1824.96	-2664.15	-2746.30	-4297.79
6.06.02.	International Bank for Reconstruction and Development					
6.06.02.01.	Receipts	6001	...	...	...	1606.50
6.06.02.02.	Repayments	6001	...	...	...	...
	<i>Net</i>		...	...	...	1606.50
6.06.03.	International Development Association					
6.06.03.01.	Receipts	6001	...	...	...	...
6.06.03.02.	Repayments	6001	...	...	...	...
	<i>Net</i>		...	...	...	...
6.06.04.	Asian Development Bank					
6.06.04.01.	Receipts	6001	143.76	147.00	230.00	175.00

Tax Revenue		Major Head	(In crores of Rupees)			
			Actual 2012-2013	Budget 2013-2014	Revised 2013-2014	Budget 2014-2015
6.06.04.02.	Repayments	6001	-30.50	-29.59	-29.60	-29.60
	<i>Net</i>		113.26	117.41	200.40	145.40
6.06.05.	African Development Fund & Bank					
6.06.05.01.	Receipts	6001	24.22	2.16	1.32	1.32
6.06.05.02.	Repayments	6001	-16.97	-17.63	-17.63	-17.63
	<i>Net</i>		7.25	-15.47	-16.31	-16.31
	<i>Net-International Financial Institutions</i>		-1704.45	-2562.21	-2562.21	-2562.20
	<i>Net-Other Receipts ( Internal Debts and Public Account)</i>		-6223.49	12296.54	5913.54	10793.31
<b>7.</b>	<b>External Debt</b>					
7.01.	Multilateral					
7.01.01.	International Bank for Reconstruction and Development					
7.01.01.01.	Receipts	6002	3269.17	3516.25	3060.00	4141.20
7.01.01.02.	Repayments	6002	-2993.46	-3341.06	-3672.28	-4160.22
	<i>Net</i>		275.71	175.19	-612.28	-19.02
7.01.02.	International Development Association					
7.01.02.01.	Receipts	6002	5553.31	4834.34	6772.32	6147.27
7.01.02.02.	Repayments	6002	-5074.90	-5382.22	-5885.75	-8279.94
	<i>Net</i>		478.41	-547.88	886.57	-2132.67
7.01.03.	International Fund for Agricultural Development					
7.01.03.01.	Receipts	6002	146.99	215.00	209.52	209.00
7.01.03.02.	Repayments	6002	-59.91	-64.52	-69.33	-81.74
	<i>Net</i>		87.08	150.48	140.19	127.26
7.01.04.	Asian Development Bank					
7.01.04.01.	Receipts	6002	4634.52	6546.82	4417.81	6129.53
7.01.04.02.	Repayments	6002	-1535.99	-1846.32	-2028.53	-2126.42
	<i>Net</i>		3098.53	4700.50	2389.28	4003.11
7.01.05.	Eastern European Community (SAC)					
7.01.05.01.	Receipts	6002	...	...	...	...
7.01.05.02.	Repayments	6002	-7.88	-8.19	-8.73	-9.39
	<i>Net</i>		-7.88	-8.19	-8.73	-9.39
7.01.06.	Organisation of the Petroleum Exporting Countries					
7.01.06.01.	Receipts	6002	20.82	20.00	40.00	50.00
7.01.06.02.	Repayments	6002	-10.10	-15.49	-17.36	-18.54
	<i>Net</i>		10.72	4.51	22.64	31.46
	<i>Net-Multilateral</i>		3942.57	4474.61	2817.67	2000.75
7.02.	Bilateral					
7.02.01.	Germany					
7.02.01.01.	Receipts	6002	443.03	996.01	908.54	565.05
7.02.01.02.	Repayments	6002	-900.78	-1005.43	-1149.96	-1282.70
	<i>Net</i>		-457.75	-9.42	-241.42	-717.65
7.02.02.	France					
7.02.02.01.	Receipts	6002	150.10	30.00	894.50	17.00
7.02.02.02.	Repayments	6002	-227.28	-197.70	-225.48	-379.86
	<i>Net</i>		-77.18	-167.70	669.02	-362.86
7.02.03.	Italy					
7.02.03.01.	Receipts	6002	...	...	...	...
7.02.03.02.	Repayments	6002	...	...	...	...
	<i>Net</i>		...	...	...	...
7.02.04.	Japan					
7.02.04.01.	Receipts	6002	7912.41	11463.75	7244.06	10893.99
7.02.04.02.	Repayments	6002	-4115.70	-4187.52	-3910.36	-4262.12
	<i>Net</i>		3796.71	7276.23	3333.70	6631.87
7.02.05.	Switzerland					

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			Actual 2012-2013	Budget 2013-2014	Revised 2013-2014	Budget 2014-2015
7.02.05.01.	Receipts	6002	...	...	...	...
7.02.05.02.	Repayments	6002	-4.37	-4.31	-4.83	-19.91
	<i>Net</i>		-4.37	-4.31	-4.83	-19.91
7.02.06.	USA					
7.02.06.01.	Receipts	6002	...	...	...	...
7.02.06.02.	Repayments	6002	-152.17	-155.74	-174.42	-979.96
	<i>Net</i>		-152.17	-155.74	-174.42	-979.96
7.02.07.	Russian Federation					
7.02.07.01.	Receipts	6002	1178.44	24.10	18.00	22.00
7.02.07.02.	Repayments	6002	-1025.05	-877.67	-977.23	-840.46
	<i>Net</i>		153.39	-853.57	-959.23	-818.46
	<i>Net-Bilateral</i>		3258.63	6085.49	2622.82	3733.03
	<i>Net-External Debt</i>		7201.20	10560.10	5440.49	5733.78
	<b>Total-Debt Receipts</b>		<b>541230.36</b>	<b>542498.62</b>	<b>509538.71</b>	<b>528630.91</b>
<b>8. Draw Down of Cash Balance</b>						
8.01.	Receipts	9003	...	...	15000.00	...
8.02.	Disbursements	9003	-50632.81	...	...	...
	<i>Net-Draw Down of Cash Balance</i>		-50632.81	...	15000.00	...
<b>9. Market Stabilisation Scheme</b>						
9.01.	Receipts	6001	...	20000.00	...	20000.00
9.02.	Repayments	6001	...	...	...	...
	<i>Net-Market Stabilisation Scheme</i>		...	20000.00	...	20000.00
	<b>Grand Total</b>		<b>532754.88</b>	<b>628966.62</b>	<b>561182.50</b>	<b>616083.10</b>

1. The Statement above summarizes by broad categories the estimates of capital receipts - both non-debt and debt receipts. Further, details together with brief notes explaining the variations between Budget Estimates and Revised Estimates for 2013-14 and between Revised Estimates for 2013-14 and Budget Estimates for 2014-15 as given in the notes below.

**1.01. Recoveries from State Governments:** Receipts from State Governments are estimated at ₹ 8439.64 crore in RE 2013-14 and ₹ 8685.63 crore in BE 2014-15. The receipts in RE 2013-14 include waiver of loans to State Governments which are matched by equivalent expenditure.

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

**1.03& 1.04. Repayment by Others:** These include loan repayments by parties other than States and Union Territory Governments, viz. foreign Governments, industrial and commercial enterprises and financial institutions in the public sector, municipalities, port trusts, private sector companies and institutions, cooperatives etc.

**2. MISCELLANEOUS CAPITAL RECEIPTS:** In RE 2013-14, proceeds of ₹40,000 crore have been estimated on account of disinvestment of part of government equity in Central Public Sector Enterprises (CPSEs) namely, Hindustan Copper Ltd. (HCL), India Tourism Development Corporation Ltd. (ITDC), Metal & Mineral Trading Corporation Co. Ltd. (MMTC), National Fertilizer Ltd. (NFL), Neyveli Lignite Corporation Ltd. (NLC), State Trading Corporation Ltd. (STC), Power Grid Corporation of India Ltd. (PGCIL), NHPC Ltd., Indian Oil Corporation Ltd. (IOCL), Engineers India Ltd. (EIL), Bharat Heavy Electricals Ltd. (BHEL), Hindustan Aeronautics Ltd. (HAL). All non compliant listed CPSEs were made compliant with the minimum shareholding norms of SEBI.

A CPSE Exchange Traded Fund (CPSE ETF) is also being launched to monetize the shareholding in those CPSEs which will form part of the ETF basket in the financial year 2013-14.

Government has constituted a 'National Investment Fund' (NIF) into which the proceeds from disinvestment of Government equity in selected CPSEs is channelized. The funds so credited to NIF will be withdrawn and used for Recapitalisation of Public Sector Banks's and investment in Indian Railways towards capital expenditure in 2014-15. Other receipts pertaining to transfer of SDRs to Reserve Bank of India and consideration received in lieu.

**3.01. MARKET LOANS:** Government of India raises its market loans under the Scheme of Sale of Dated Government Securities by Auction from 1992-93. These auctions are conducted by the Reserve Bank of India, as debt manager to the Central Government. Apart from Fixed Coupon Securities, Government has also issued Floating Rate Bonds (FRB) on which the coupon rate, payable semi annually, are reset semi-annually by adding a 'spread', determined through auction. Since 2002-03, Central Government has

been announcing half-yearly Indicative Market Borrowing Calendar based on its core borrowing requirements. The Revised Estimate of net market borrowing of Central Government through issue of dated securities is ₹453901.87 crore. Taking into account the repayments amounting to ₹95008.84 crore and buyback of Dated Securities of ₹ 15000.00 crore from the Government Stock 2014-15. Apart from buyback of ₹ 15000.00 crore, Government also switched Securities of ₹ 30601.21 crore maturing in 2014-15 and 2015-16 with long tenor securities. RE of gross market borrowing is fixed at ₹563910.71 crore.

The net market borrowing of the Central Government through issue of dated securities in 2014-15 is estimated to be ₹ 465321.43 crore. Gross market borrowing in BE 2014-15 is placed at ₹597000.00 crore, taking into account scheduled repayment of ₹139678.57 crore. Provision of ₹ 50000.00 crore is also being made towards buy back/switching of Government Securities for better debt management. Details of repayments in 2013-14 are given in Annex-13. Conversion of Special Securities/Recapitalisation Bonds: Government of India has completed the conversion of special securities issued in lieu of ad hoc treasury bills into marketable securities during the year 2003-04. Details of the marketable securities issued in conversion are given in Annex-6A. Government of India has also completed the conversion of Recapitalisation Bonds with the Nationalised Banks into SLR marketable securities during the year 2007-08 (details in Annex 6B).

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

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

**4. NATIONAL SMALL SAVINGS FUND:** Small Savings Schemes: the small savings schemes currently in force are : Post Office Savings Account, Post Office Time Deposits (1, 2, 3 & 5 years), Post Office Recurring Deposit, Post Office Monthly Income Account, Senior Citizens Savings Scheme, National Savings Certificate (VIII-Issue), National Savings Certificate (IX-Issue) and Public Provident Fund.

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

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

As per recommendations of Thirteenth Finance Commission (FC-XIII), the States have been granted provisional relief, based on compliance with the fiscal targets in their respective FRBM Act. Accordingly, the interest rate on loans to States contracted till 2006-07 and outstanding as at the end of 2009-10, has been reset at 9 per cent for the financial years 2010-11 and 2011-12 from the dates the FRBM Act is amended/enacted by the States. From 2012-13 onwards, the States are eligible for provisional relief, based on compliance with the fiscal targets in their respective FRBM Acts, as reflected in their Budget Estimates. If a State, after getting the interest relief, breaches the FRBM in Actuals (as per Finance Accounts), the benefit of reduced interest on NSSF loans will be withdrawn and the earlier interest rate will become applicable. The excess interest relief availed by the State shall be recovered in the next year. The State may revert to 9 per cent interest rate as and when it again complies with its FRBMA targets.

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

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

**6.02. 8% Savings (Taxable) Bonds, 2003:** 8% Savings (Taxable) Bonds, 2003 were introduced w.e.f. 21st April, 2003 to enable resident citizens/charitable institutions/ Universities etc. to invest their savings in taxable bonds without any monetary ceilings. The bonds will have maturity of six years carrying interest at 8 percent per annum payable half yearly. Both cumulative and non-cumulative options are available. The bonds are not transferable. They are also not tradable in the secondary market. However, from August 19, 2008, they are eligible as collateral security for loans from scheduled banks.

**6.03. 6.5% Savings (Non-taxable) Bonds, 2003:** 6.5% Savings (Non-taxable) Bonds, 2003 were introduced with effect from 24th March, 2003 to enable resident citizens to invest their savings in tax-free bonds without any monetary ceilings. The Scheme has

been discontinued with effect from close of business on July 9, 2004. These Saving Bonds are due for redemption and started maturing for repayment w. e. f. March 24, 2008

**6.04. Other Receipts (Public account other than State Provident Fund):** Railway Reserve Funds:

A snapshot of the Railway Reserve Funds may be seen at Annex -14. The details of each of them is as follows:

(a) Railway Pension Fund is intended to meet the pensionary charges of Railway employees. Suitable amounts are transferred annually to the Fund by debit to revenue and capital expenditure heads. The pensionary charges are initially met as part of revenue head and later recouped from the Fund. Credit to the Fund during the year 2013-14 is estimated at ₹24015.65 crore, including ₹0.65 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawal is estimated at ₹24000 crore. During 2014-15, credit is estimated at ₹27016.43 crore, including ₹1.43 crore on account of interest. As against this, the withdrawal is estimated at ₹27000 crore.

(b) Railway Depreciation Reserve Fund provides for replacement and renewal of assets including the improvement element. Contribution to the Fund is estimated at ₹6700.75 crore in 2013-14, which is inclusive of ₹0.75 crore of interest payable by General Revenues on the balance in the Fund. The outgo from the Fund has been estimated at ₹6689.46 crore in 2013-14. For 2014-15, credit is estimated at ₹7051.55 crore including ₹1.55 crore on account of interest. Withdrawal is estimated at ₹7030.00 crore.

(c) Railway Development Fund : This Fund, set up in 1950, is used for meeting expenditure on passengers and users' amenities, labour welfare works, unremunerative operating improvements and safety works. The Fund is financed by appropriation of such portion of the Railway excess, if any, as may be fixed by the Government and voted by Parliament. If the accumulated balance in the Fund, after transfer from the railway excess to it, is not enough to meet the expenditure to be financed from the Fund, interest bearing loans are taken from the General Revenues for credit to the Fund. During 2013-14, credit to the Railway Development Fund has been estimated at ₹ 2873.76 crore, which also includes ₹ 198.76 crore as interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2013-14 has been estimated at ₹2674.54 crore. for works chargeable to the Fund. Credit to the Fund during 2014-15 is placed at ₹ 3798.39 crore including ₹ 248.39 crore on account of interest. The withdrawal during 2014-15 is estimated at ₹ 2783.00 crore.

(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 this Fund in 2013-14 is estimated at ₹ 2.13 crore, representing the interest accrued on the Fund balance, whereas the no outgo from the Fund is contemplated in 2013-14. In 2014-15, this Fund will be credited with ₹ 3702.56 crore including ₹ 2.56 crore of interest estimated to accrue on the balance in the Fund, whereas withdrawal is estimated at ₹ 3687.00 crore.

(e) Debt Service Fund: is proposed to be created from 2013-14 to make adequate provision for future committed liabilities like debt service payment for loans taken, future Pay Commissions/Awards, etc. The withdrawal from the Fund will be made as and when these liabilities become due. Contribution to the Fund is estimated at ₹ 5399.65 crore in 2013-14, which is inclusive of ₹ 131.70 crore of interest payable by General Revenues on the balance in the fund. No outgo from the fund is contemplated. In 2014-15, this Fund will be credited with ₹ 3640.50 crore including ₹ 352.19 crore of interest estimated to accrue on the balance in the Fund, whereas no outgo from the fund is contemplated in 2014-15.

(f) Railway Safety Fund: has been created from 1.4.2001 for financing safety works relating to conversion of unmanned level crossings and for construction of Railway Over/Under Bridges at busy level crossings. The Fund is mainly financed through transfer of funds by the Government from the Central Road Fund and the contribution hitherto being made to the Railway Safety Works Fund out of the dividend being paid to the General Revenues. This is a non-interest bearing Fund. Credit to the Fund during 2013-14 is placed at ₹1104.61 crore. The withdrawal is estimated at ₹2000.00 crore. The credit during 2014-15 is estimated at ₹ 1225.61 crore and the withdrawal is estimated at ₹2000.00 crore.

**6.06. International Financial Institutions:** The estimates relating to (a) special securities issued towards India's subscriptions/contributions to International Financial Institutions and (b) certain transactions involving use of Special Drawing Rights (SDRs) are reflected. The details of each of the IFIs are as below:

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

The IMF reviews members' quotas once in five years and the last such review took place in December, 2010. India has already consented to its quota increase under the 2010 review and after the 2010 quota review comes into effect, our quota share will increase from the current 2.44% to 2.75%, making India the eight largest quota holding country at the IMF up from its previous position of being the 11th largest. In absolute terms, India's quota will increase to SDR 13,114.4 million from SDR 5,821.5 million. While 25% of quota increase is to be paid in cash (reserve currency), the balance 75% can be paid in securities.

These securities are non-interest bearing note purchase agreements issued by RBI and can be encashed at any time required by the IMF. They do not entail any cash outgo unless the IMF calls upon India to encash a portion of these notes. The reserve asset portion of Quotas is counted as part of country's Reserves.

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

In the wake of the ongoing Eurozone crisis, the IMF has proposed a new bilateral borrowing programme to augment its resources for crisis prevention and resolution and to meet the potential financing needs of all IMF members. 37 members representing three-fifths of the total quota of the IMF, have pledged contributions to enhance the IMF's resources by US \$ 456 billion. At the Los Cabos Summit of the G 20 held on June 19th, 2012, BRICS countries have announced their contributions, including US\$ 10 billion by each of India, Brazil and Russia and US \$ 43 billion by China.

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

The new borrowing programme is based on issuance of Promissory Notes by member countries that are securities of these countries which are encashable when required by the IMF. These note purchase agreements are denominated in Special Drawing Rights (SDR) and do not entail any outgo of cash/hard currency until a call is made by the IMF to encash a portion of the Securities. Further, the notes are treated as a part of the reserves of the issuing country and as such, they do not impact the holding of reserves of the issuer.

Financial Transactions Plan (FTP): The Financial Transactions Plan of the International Monetary Fund is the mechanism through which the Fund finances its lending and repayment operations, to its members, in the General Resources Account. The members of the Fund can take loans from IMF with limits corresponding to their quota. IMF lends to its members in both foreign exchange and SDRs. Credit extended in foreign exchange is financed from the quota resources made available to the IMF by members. The creditor gets benefited as their position gets increased. When extending credit in SDRs, the IMF transfers reserve assets directly to borrowing members by drawing on the IMF's own holdings of SDRs in the General Resources Account.

The IMF Executive Board has approved the Financial Transactions Plan (FTP) for the period 01-January 2014 to 31-March, 2014. The maximum transfers (purchase) and receipts (repurchase) during this FTP (Quota Resources) period are SDR 57.1 crore and SDR 10.0 crore. Effective participation in the FTP made India a creditor member with the IMF. Under this, India may be asked to make a purchase (issuance of credit) or a repurchase (debt servicing by our debtor) under the FTP. By participating in FTP, India is allowing IMF to encash its rupee holdings as part of our quota contribution for hard currency, which is then lent to other member countries who are debtors to the IMF. While the participation in FTP allows India to earn additional interest on its enhanced credit tranche position with IMF, the encashment of interest free rupee securities lead to perhaps higher borrowing costs as well as deterioration of fiscal position. To address this problem, it has been decided to replace special securities issued to the IMF by non-interest bearing non-marketable securities to be issued to the RBI.

**6.06.02. 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 RE 2013-14 and BE 2014-15.

**6.06.03. International Development Association (IDA):** No payment to IDA is envisaged in RE 2013-14 and BE 2014-15.

**6.06.04. Asian Development Bank(ADB):** The Asian Development Bank keeps Rupee securities with the Reserve Bank of India which can be encashed by it to meet its rupee expenditure in India from time to time. A provision of ₹29.60 crore was made in BE 2013-14. RE 2013-14 and BE 2014-15 has been kept at ₹29.60 crore and ₹29.60 crore respectively.

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

**7. EXTERNAL LOAN:** Budget 2014-15 assumes a gross receipt of ₹ 28175.04 crore and repayment of ₹22441.26 crore, resulting in net external loan of ₹5733.78 crore.

**7.01. Multilateral Agencies:** The net receipts estimated for BE 2014-15 from International Monetary Fund, International Bank for Reconstruction and Development, International Development Association, International Fund for Agricultural Development, Asian Development Bank, Eastern European Community(SAC) and Organisation of the Petroleum Exporting Countries is ₹ 2000.75 crore.

**7.02. Bilateral Agencies:** The net receipts estimated for BE 2014-15 from Japan, Germany, France, Italy, Switzerland, USA and Russian Federation is ₹ 3733.03 crore.

**9. MARKET STABILISATION SCHEME:** The Memorandum of Understanding (MoU) relating to MSS has been amended to enable, on mutual agreement between the Government of India and the Reserve Bank of India, the transfer of a part of the amount in the MSS cash account to the normal cash account as part of the Government's market borrowing programme for meeting Government's approved expenditure. An equivalent amount of Government securities issued under the MSS would form part of the normal market borrowing of the Government of India. Net receipts under MSS in 2014-15 is estimated at ₹ 20,000 crore.