

## **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 2002-2003 and between the latter and Budget Estimates for 2003-2004 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 2002-2003	Revised 2002-2003	Budget 2003-2004
1. Market Loans	95859.00	99953.00	107194.00
2. Short term borrowings	...	12912.00	...
3. External Assistance (Net)	770.36	(-) 13496.29	3581.62
4. Recoveries of loans & advances	17680.00	18250.78	18023.10
5. Disinvestment of equity holdings in Public Sector Enterprises and Departmental Commercial Undertakings, etc.	12000.00	3360.00	13200.00
6. Securities issued against Small Savings	8000.00	...	...
7. State Provident Funds (Net)	10000.00	8500.00	7500.00
8. Special Deposits of Non-Government PF, LIC, etc. (Net)	9898.20	10280.05	9970.00
9. Other Receipts (Net)	10997.01	22019.63	25391.21
<b>Total Capital Receipts *</b>	<b>165204.57</b>	<b>161779.17</b>	<b>184859.93</b>

# 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. 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. From 2001-02, Government have also started a scheme of retail sale of Government stocks.

A total sum of Rs. 149596 crore on gross basis was raised through various instruments of market borrowing during the financial year 2002-2003 i.e. upto the end of 24th February, 2003.

#### **BUDGET ESTIMATES 2003-2004**

The following loans with outstanding balances indicated against each are due for discharge in 2003-2004:

	(in crore of Rupees)
11.10% Government Stock, 2003	6500.00
5.75% Loan, 2003	378.43
11.00% Loan, 2003	192.94
11.75% Government Stock, 2003	2000.00
11.83% Government Stock, 2003	3000.00
6.50% Loan, 2003	396.45
11.78% Government Stock, 2003	5000.00
12.50% Government Stock, 2004	11225.67
11.57% Government Stock, 2004	4000.00
<b>Total</b>	<b>32693.49</b>

#### **2. SHORT TERM BORROWINGS (364/91 DAYS TREASURY BILLS):**

These Treasury Bills offer short-term investment opportunity to financial institutions, banks, etc. The notified auction amount of 364 days Treasury Bills was increased from Rs. 750 crore to Rs. 1000 crore every fortnight during the year 2002-03. The notified auction amount of 91 days Treasury Bills was increased during the last quarter of 2002-03. These have resulted in increase in the outstanding balance at the end of the Financial Year.

#### **3. EXTERNAL ASSISTANCE :**

Budget 2002-2003 assumed a gross receipt of Rs. 11333.82 crore from external assistance (excluding external grants). As against this, the Revised Estimate 2002-2003 is placed at Rs.11713.21 crore. Gross receipts for 2003-2004 are estimated at Rs.13202.40 crore.

Budget 2002-2003 provided for repayments of Rs. 10563.46 crore against which the Revised Estimate is placed at Rs. 25209.50 crore. The repayments in 2003-2004 are estimated at Rs. 9620.78 crore.

The net receipts from external assistance is, thus, placed at Rs. (-) 13496.29 crore in the Revised Estimate 2002-2003. Net receipts in B.E. 2003-2004 are placed at Rs. 3581.62 crore.

Taking advantage of comfortable foreign exchange reserves and lower domestic interest rates, Government has effected premature repayment of high-cost currency pool loans of the World Bank of \$ 1.57 billion and of \$ 1.16 billion of Ordinary Capital Resources loans of the Asian Development Bank. This accounts for the significant variation between BE 2002-03 and RE 2002-03 and revised estimates of net receipts from external assistance being placed at Rs. (-) 13496.29 crore.

A summary of estimates of receipts of external assistance and repayment of the principal in 2002-2003 and in 2003-2004 is given below:

(in crore of Rupees)

	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
<b>A. Receipts</b>			
(i) External loans	11183.82	11313.21	12902.40
(ii) Receipts under Revolving fund	150.00	400.00	300.00
<b>Total Receipts :</b>	<b>11333.82</b>	<b>11713.21</b>	<b>13202.40</b>
<b>B. Repayments</b>	<b>(-) 10563.46</b>	<b>(-) 25209.50</b>	<b>(-) 9620.78</b>
<b>Net receipts :</b>	<b>770.36</b>	<b>(-) 13496.29</b>	<b>3581.62</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:

(in crore of Rupees)

	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
<i>Recoveries from:</i>			
(i) State Governments	13300.64	11138.74	13216.63
(ii) Union Territories (with Legislature)	162.57	240.72	270.88
(iii) Others	4216.79	6871.32	4535.59
(a) Foreign Governments	51.80	88.28	57.14
(b) Public Sector enterprises, statutory bodies, etc	4164.99	6783.04	4478.45
<b>TOTAL- Recoveries of Loans and Advances</b>	<b>17680.00</b>	<b>18250.78</b>	<b>18023.10</b>
(a) The recoveries from State Governments exclude Short-term ways and means Advances	2000.00	3500.00	2000.00
(b) The recoveries from non-Government parties exclude recoveries from Government servants, etc. which are netted in the Expenditure	400.00	430.00	500.00

**(i) Recoveries from State Governments:** The recoveries are in respect of loans advanced to States.

**(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. 6871.32 crore in RE 2002-2003. During 2003-2004, repayment estimates are placed at Rs. 4535.59 crore. The broad details are:—

(in crore of Rupees)

	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
(a) Foreign Governments	51.80	88.28	57.14
(b) Public Sector enterprises, statutory bodies, etc.	4164.99	6783.04	4478.45
<b>Total</b>	<b>4216.79</b>	<b>6871.32</b>	<b>4535.59</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

### Small Savings Schemes:

**The small savings schemes currently in force are:** Post Office Savings Account, Post Office Time Deposits 1, 2, 3 & 5 years, Post Office Recurring Deposits, Post Office Monthly Income Account, National Savings Certificate VIII-Issue, Kisan Vikas Patra and Public Provident Fund.

**National Small Savings Fund:** (i) A "National Small Savings Fund" (NSSF) in the Public Account of India was established with effect from 1.4.1999. A sub sector called "National Small Savings Fund" has been introduced in the List of Major and Minor Heads of Government Account. 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 special Government Securities. The investment pattern is as per norms decided from time to time by the Central Government. Pursuant to the recommendations of the Expert Committee on Administered Interest Rates and other related issues, chaired by Dr. Y.V. Reddy, the then Deputy Governor of the Reserve bank of India, since 1st April, 2002, the entire net collections (gross deposits minus withdrawals by the subscribers) under small savings schemes in each State and Union Territory (with legislature) are being advanced to the concerned State/Union Territory (with legislature) Government as investment in its special securities. The debt servicing of the 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 10.50 per cent per annum is payable on the special securities issued by the State Governments during the year 2002-03.

### Sources and Application:

(i) The 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)

Particulars	Actuals 2001-2002 (Provisional)	2002-03 (R.E.)	2003-04 (B.E.)
<b>SOURCES OF FUNDS</b>			
<b>Savings Deposits</b>			
Liabilities outstanding as on 1st April	80653.72	105077.92	139847.92
Accretion to liabilities during the year	24424.20	34770.00	41950.00
<b>Savings Certificates</b>			
Liabilities outstanding as on 1st April	138040.74	149665.92	159245.92
Accretion to liabilities during the year	11625.18	9580.00	6750.00
<b>Public Provident Fund</b>			
Liabilities outstanding as on 1st April	41454.23	49313.10	59363.10
Accretion to liabilities during the year	7858.87	10050.00	12500.00
<b>Total Deposits</b>	<b>304056.94</b>	<b>358456.94</b>	<b>419656.94</b>
<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	17295.14	26049.69	26049.69
Additional investment during the year	8754.55	...	...
<b>Investment in Special State Government Securities against collections from 1.4.1999</b>			
Investment as on 1st April	60201.70	95219.86	147419.86
Additional investment during the year	35018.16	52200.00	60000.00
<b>Total Investment in Securities</b>	<b>297490.47</b>	<b>349690.47</b>	<b>409690.47</b>
Balance Income/Expenditure Account	2796.65	4447.86	8068.30
Cash Balance	3769.82	4318.61	1898.17
<b>TOTAL</b>	<b>304056.94</b>	<b>358456.94</b>	<b>419656.94</b>

(ii) The details about various components of National Small Savings Fund (viz: Receipts, Disbursements, Investments, Income and Expenditure of NSSF) containing 'Actuals' for 2001-2002 (Provisional), BE & RE 2002-03 and BE 2003-04 are tabulated in **Annexure-8**.

#### (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 Central Government. Budgetary Estimates of collections under these schemes are shown in Table II hereunder:

**Table II**

(In Crore of Rupees)

	Actuals 2001-02 (Provisional)	RE 2002-03	BE 2003-04
GROSS	548	450	450
NET	498	380	365

**7. STATE PROVIDENT FUNDS:** The transactions under this head relate to various Provident Funds for Government employees. Credit assumed is net of the deposits into the funds, including interest and withdrawals / temporary advances from funds. With effect from 1.4.2002, the deposits carry interest at 9 per cent per annum. Net accretions to the Funds were estimated at Rs. 10000 crore in Budget 2002-2003 against which the R.E. is placed at Rs. 8500 crore. Budget 2003-2004 estimates a net accretion of Rs. 7500 crore.

**8. SPECIAL DEPOSIT SCHEME:** Accretions in the Special Deposit Scheme (SDS) 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. 10280.05 crore in Revised Estimate 2002-2003. Budget 2003-2004 estimates a net accretion of Rs. 9970 crore. Accretions are on account of reinvestment of interest payments on net balances.

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

(i) **Relief Bonds : 8% Relief Bonds** were introduced w.e.f. 1.3.2002 and a maximum limit for investment in the bonds was fixed at Rs. 2 lakh per annum per investor. Subsequently, the scheme of 8% Relief Bonds was further amended on 22nd April, 2002 and 14th May, 2002 to remove the maximum limit of investment of Rs. 2 lakh per annum per investor made by retiring employees, including those retiring under Voluntary Retirement Schemes of the Government, Public Sector Banks, Local Bodies and Private Sector out of their retirement/terminal benefits. The bonds carry tax-free interest and have a maturity period of 5 years.

Government have introduced '**7% Savings Bonds, 2002**' scheme for subscription by individuals and HUF, excluding non-resident Indians, without any investment limit, with effect from 1st October, 2002. The Bonds are exempt from Wealth-tax and interest thereon is exempt from Income-tax. However, these are not transferable, except by way of gift to relatives, are not tradable in the secondary market and are also not eligible as collateral security for loans.

#### (ii) Railway Reserve Funds:

(in Crore of Rupees)

	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
Railway Pension Fund			
Cr.	6223.89	6089.70	6544.31
Dr.	6000.00	5850.00	6500.00
Net	(+) 223.89	(+) 239.70	(+) 44.31
Railway Depreciation Reserve Fund			
Cr	2107.35	2154.90	2171.81
Dr.	2045.00	1886.00	2000.00
Net	(+) 62.35	(+) 268.90	(+) 171.81
Railway Development Fund			
Cr	550.04	550.04	600.04
Dr.	550.00	550.00	600.00
Net	(+) 0.04	(+) 0.04	(+) 0.04
Railway Capital Fund			
Cr.	19.03	0.94	1.01
Dr.	17.43	...	...
Net	(+) 1.60	(+) 0.94	(+) 1.01
Railway Safety Fund			
Cr.	452.73	452.74	435.74
Dr.	450.00	264.00	433.00
Net	(+) 2.73	(+) 188.74	(+) 2.74
Special Railway Safety Fund			
Cr.	2210.00	2310.00	2310.00
Dr.	2210.00	2310.00	2310.66
Net	...	...	(-) 0.66
<b>TOTAL</b>	<b>(+) 290.61</b>	<b>(+) 698.32</b>	<b>(+) 219.25</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 2002-2003 is estimated at Rs. 6089.70 crore, including Rs. 39.70 crore by way of interest payable by the General Revenues on the balance in the Fund. The withdrawals are estimated at Rs. 5850 crore. During 2003-2004 credit is estimated at Rs. 6544.31 crore, including Rs. 49.31 crore on account of interest. As against this, the withdrawal is estimated at Rs. 6500 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. 2154.90 crore in 2002-2003, which is inclusive of Rs. 51.90 crore of interest payable by General Revenues on the balance in the fund. The outgo from the fund has been estimated at Rs. 1866.00 crore in 2002-2003. For 2003-2004, credit is estimated at Rs. 2171.81 crore including Rs. 66.81 crore on account of interest. Withdrawal is estimated at Rs. 2000.00 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 2002-2003, the credit to the Railway Development Fund has been estimated at Rs. 550.04 crore comprising Rs. 550.00 crore out of the anticipated excess in 2002-2003 and Rs. 0.04 crore being the interest payable by the General Revenues on the balance in the Fund. Withdrawal from the Fund during 2002-2003 has been estimated at Rs. 550.00 crore. Credit to the Fund during 2003-2004 is placed at Rs. 600.04 crore, Rs. 600.00 crore out of anticipated excess in 2003-2004 and Rs. 0.04 crore being the interest payable on the balance in the Fund. The withdrawals during 2003-2004 is estimated at Rs. 600.00 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 2002-2003 is estimated at Rs. 0.94 crore which is entirely the interest payable by General Revenues on the balance in the fund. Credit to the Fund during 2003-2004 is placed at Rs. 1.01 crore representing the interest payable on the balance in the Fund. No withdrawal is envisaged in 2002-2003 and 2003-2004.

(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 2002-2003 is placed at Rs. 452.74 crore. The withdrawal is estimated at Rs. 264.00 crore. The credit during 2003-2004 is estimated at Rs. 435.74 crore and the withdrawal is estimated at Rs. 433.00 crore.

(f) *Special Railway Safety Fund (SRSF)*: Pursuant to the recommendation of the Railway Safety Review Committee (1998) a Special Railway Safety Fund has been set up in 2001-2002 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. 2310 crore, representing Rs. 1350 crore received from the General Revenues and Rs. 960 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. 2310 crore. During 2003-2004, the credit to the fund is estimated at Rs. 2310 crore, comprising of Rs. 1600 crore being transferred by the General Revenues and Rs. 710 crore being the Railways' share. The withdrawal from the fund has also been kept at Rs. 2310 crore in 2003-2004.

### (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)

	Budget 2002-2003			Revised 2002-2003			Budget 2003-2004		
	Receipts	Discharges	Net	Receipts	Discharges	Net	Receipts	Discharges	Net
1	2	3	4	5	6	7	8	9	10
1. International Monetary Fund	872.13	...	872.13	1014.34	0.65	1013.69	714.06	...	714.06
2. International Bank for Reconstruction and Development	82.17	35.00	47.17	82.17	35.00	47.17	116.20	53.20	63.00

	1	2	3	4	5	6	7	8	9	10
3. International Development Association		3.75	...	3.75	3.93	...	3.93	0.01	...	0.01
4. International Fund for Agricultural Development		20.00	6.00	14.00	19.73	18.42	1.31	20.00	21.00	(-) 1.00
5. Asian Development Bank		10.00	5.00	5.00	1.78	...	1.78	6.51	...	6.51
6. African Development Fund & Bank		9.81	4.39	5.42	9.08	4.41	4.67	9.08	4.36	4.72
<b>Total:</b>		<b>997.86</b>	<b>50.39</b>	<b>947.47</b>	<b>1131.03</b>	<b>58.48</b>	<b>1072.55</b>	<b>865.86</b>	<b>78.56</b>	<b>787.30</b>
<b>S.D.Rs</b>		<b>1013.81</b>	<b>1008.85</b>	<b>4.96</b>	<b>1097.90</b>	<b>1054.64</b>	<b>43.26</b>	<b>812.80</b>	<b>807.78</b>	<b>5.02</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 2002-2003 a provision of Rs. 872.13 crores. was made. An amount of Rs. 1014.34 crore was paid to IMF on April 30, 2002. No further expenditure is expected during the remaining part of the year. In BE 2003-2004, a provision of Rs. 714.06 crores has been made.

On account of repurchase transactions during 2003-2004 necessitated by drawing down of the rupee balances in IMF Account No.1, the rupee securities are required to be encashed to replenish IMF Account No. 1 with RBI. In RE 2002-2003, an amount of Rs. 0.65 crore has been provided. 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 2003-2004 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 2002-2003, no provision was made under the head. There is no requirement for any provision in BE for 2003-2004.

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.1097.90 crore in the Revised Estimate 2002-2003 of which Rs. 1097.90 crore would be contra debited to SDR A/c. The total debits to the head Special Drawing Rights amount to Rs. 1054.64 crore in the Revised Estimates 2002-2003, of which Rs. 1054.64 crore would be contra-credited to the SDR Account. During 2003-2004 there will be a credit of Rs. 812.80 crore and a debit of Rs. 807.78 crore.

*International Bank for Reconstruction and Development (IBRD):* A provision of Rs. 82.17 crore was made both in BE 2002-2003 and RE 2002-2003 on account of Maintenance of Value (MOV). A provision of Rs. 116.20 crores has been kept in BE 2003-2004 for this purpose.

Budget Estimate 2002-2003 and RE 2002-2003 included a provision of Rs. 35.00 crore towards encashment of securities by IBRD. A provision of Rs. 53.20 crores each has been kept in BE 2003-2004 for the purpose.

*International Development Association (IDA):* A provision of Rs. 3.75 crores was made in the BE 2002-2003, which was revised to RE of Rs. 3.93 crores. For BE 2003-2004, Rs. 0.01 crore has been kept of the IDA 13 would be fully subscribed by the RE 2002-2003 amount.

For encashment of securities for IDA 'Nil' provision was kept for BE 2002-2003 and RE 2002-2003. The provision for BE 2003-2004 has also been kept as 'Nil'.

*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 \$ 43 million towards the resources of IFAD till December 2002. 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\$ 8 million, which was made by cash through RBI till August, 2002 towards the 1st and 2nd installments 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. As the cash balance with Reserve Bank of India as of October, 2002 should be sufficient to cover the related administrative expenses during the financial year 2002-2003 and financial year 2003-2004, no provision has been made in RE 2002-2003 and BE 2003-2004.

*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. India, has more over committed to contribute to ADF-IX of UA 4124340 i.e. Rs. 24.74 crores. This amount is required to be paid in 3 instalments. The payment of first instalment of Rs. 8.25 crore approximately under ADF-IX is likely to fall due during 2002-2003. On the basis of the present encashment schedule of ADF, securities of Rs. 3.58 in 2002-2003 and Rs. 3.53 crores in 2003-2004 are to be encashed.

3. Upto GCI-IV, India has made subscription of Rs. 5.40 crore to the capital stock of the African Development Bank. 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 in cash and II and III instalment of Rs. 2.41 crores had been made in the year 2000-2001, 2001-2002 and 2002-2003 respectively in notes encashable on demand in a freely convertible currency to be AFDB. Fourth installment of Rs. 0.83 crore approximately will be paid in 2003-2004 to the AFDB in notes encashable on demand in a freely convertible currency.

**(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.