

**MINISTRY OF FINANCE**  
**NO.34 (APPROPRIATION)**  
**Interest Payments**

A. The Budget allocations, net of recoveries and receipts, are given below:

|  |                  | <i>(In crores of Rupees)</i> |                  |                   |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Major Head   | Budget 2003-2004 |                              |                  | Revised 2003-2004 |                  |                  | Budget 2004-2005 |                  |                  |                  |
|  | Plan             | Non-Plan                     | Total            | Plan              | Non-Plan         | Total            | Plan             | Non-Plan         | Total            |                  |
| Revenue  | ...              | 123223.08                    | 123223.08        | ...               | 124554.92        | 124554.92        | ...              | 129499.86        | 129499.86        |                  |
| Capital  | ...              | ...                          | ...              | ...               | ...              | ...              | ...              | ...              | ...              |                  |
| <b>Total</b>   | ...              | <b>123223.08</b>             | <b>123223.08</b> | ...               | <b>124554.92</b> | <b>124554.92</b> | ...              | <b>129499.86</b> | <b>129499.86</b> |                  |
| <b>1. Prepayment Premium for reduction of debt</b>                                     | 2048             | ...                          | ...              | ...               | 4079.62          | 4079.62          | ...              | ...              | ...              |                  |
| <b>2. Interest on Internal Debt</b>  |                  |                              |                  |                   |                  |                  |                  |                  |                  |                  |
| 2.01 Market Loans  | 2049             | ...                          | 66558.00         | 66558.00          | ...              | 69000.00         | 69000.00         | ...              | 73333.00         | 73333.00         |
| Less accrued interest  | 0049             | ...                          | -4532.00         | -4532.00          | ...              | -7930.00         | -7930.00         | ...              | -4000.00         | -4000.00         |
| <i>Net</i>   |                  | ...                          | <i>62026.00</i>  | <i>62026.00</i>   | ...              | <i>61070.00</i>  | <i>61070.00</i>  | ...              | <i>69333.00</i>  | <i>69333.00</i>  |
| 2.02 Compensation & Other Bonds  | 2049             | ...                          | 2629.80          | 2629.80           | ...              | 3050.00          | 3050.00          | ...              | 5100.00          | 5100.00          |
| 2.03 Discount on Treasury Bills  | 2049             | ...                          | 470.00           | 470.00            | ...              | 893.37           | 893.37           | ...              | 1200.00          | 1200.00          |
| 2.04 Discount on 364 days Treasury Bills   | 2049             | ...                          | 1344.00          | 1344.00           | ...              | 1151.00          | 1151.00          | ...              | 1250.00          | 1250.00          |
| 2.05 Securities issued to RBI in conversion of Treasury Bills                          | 2049             | ...                          | 2845.00          | 2845.00           | ...              | 1757.00          | 1757.00          | ...              | ...              | ...              |
| 2.06 Management of Debt  | 2049             | ...                          | 250.00           | 250.00            | ...              | 455.00           | 455.00           | ...              | 450.00           | 450.00           |
| 2.07 Ways & Means Advances   | 2049             | ...                          | 320.00           | 320.00            | ...              | 204.00           | 204.00           | ...              | 350.00           | 350.00           |
| 2.08 Marketable securities issued in conversion of Special securities                  | 2049             | ...                          | 4497.30          | 4497.30           | ...              | 6262.56          | 6262.56          | ...              | 7753.07          | 7753.07          |
| <i>Total</i>   |                  | ...                          | <i>74382.10</i>  | <i>74382.10</i>   | ...              | <i>74842.93</i>  | <i>74842.93</i>  | ...              | <i>85436.07</i>  | <i>85436.07</i>  |
| <b>3. Interest on External Debt</b>  | 2049             | ...                          | 3288.15          | 3288.15           | ...              | 3142.83          | 3142.83          | ...              | 2629.84          | 2629.84          |
| <b>4. Interest on Small Savings, Provident Funds etc.</b>                              |                  |                              |                  |                   |                  |                  |                  |                  |                  |                  |
| 4.01 Interest on Small Savings deposits, certificates and PPF and operational expenses | 2049             | ...                          | 23480.09         | 23480.09          | ...              | 20502.53         | 20502.53         | ...              | 19201.36         | 19201.36         |
| 4.02 State Provident Funds   | 2049             | ...                          | 3919.66          | 3919.66           | ...              | 3866.77          | 3866.77          | ...              | 4012.35          | 4012.35          |
| 4.03 Insurance & Pension Funds   | 2049             | ...                          | 3015.17          | 3015.17           | ...              | 3039.90          | 3039.90          | ...              | 3206.66          | 3206.66          |
| 4.04 Special Deposits of Non-Govt. Provident Funds etc.                                | 2049             | ...                          | 10320.00         | 10320.00          | ...              | 9874.79          | 9874.79          | ...              | 9754.69          | 9754.69          |
| 4.05 Special Securities issued to Nationalised Banks                                   | 2049             | ...                          | 1887.00          | 1887.00           | ...              | 1920.63          | 1920.63          | ...              | 1920.63          | 1920.63          |
| 4.06 Special Securities issued to UTI  | 2049             | ...                          | 461.34           | 461.34            | ...              | 607.83           | 607.83           | ...              | 439.29           | 439.29           |
| 4.07 Special Deposits of LIC, GIC and its subsidiaries                                 | 2049             | ...                          | 240.10           | 240.10            | ...              | 219.32           | 219.32           | ...              | 158.16           | 158.16           |
| 4.08 Other Special Deposits  | 2049             | ...                          | 747.87           | 747.87            | ...              | 749.92           | 749.92           | ...              | 812.81           | 812.81           |
| <i>Total</i>   |                  | ...                          | <i>44071.23</i>  | <i>44071.23</i>   | ...              | <i>40781.69</i>  | <i>40781.69</i>  | ...              | <i>39505.95</i>  | <i>39505.95</i>  |
| <b>5. Interest on Reserve Funds</b>  | 2049             | ...                          | 221.76           | 221.76            | ...              | 311.58           | 311.58           | ...              | 353.01           | 353.01           |
| <b>6. Interest on other obligations</b>  |                  |                              |                  |                   |                  |                  |                  |                  |                  |                  |
| 6.01 Special bonds to Oil Companies against O.C.C. liabilities                         | 2049             | ...                          | 666.83           | 666.83            | ...              | 666.83           | 666.83           | ...              | 666.83           | 666.83           |
| 6.02 Others  | 2049             | ...                          | 593.01           | 593.01            | ...              | 729.44           | 729.44           | ...              | 908.16           | 908.16           |
| <b>Grand Total</b>   |                  | ...                          | <b>123223.08</b> | <b>123223.08</b>  | ...              | <b>124554.92</b> | <b>124554.92</b> | ...              | <b>129499.86</b> | <b>129499.86</b> |

The entire expenditure included in this Appropriation is classified as 'charged' on the Consolidated Fund of India under article 112(3)(c) of the Constitution of India.

2. The Appropriation provides for interest charges on Central Government's debt obligations, both internal and external. It includes provisions for interest payable on provident funds, special deposits with the Government besides

depreciation and other reserve funds of commercial departments, like Railways. Provisions for management of debt and other liabilities of the Central Government are also included in this Appropriation including prepayment premium for reduction of both internal and external debts.

3. The increase in the Budget estimates, 2004-2005 is mainly due to larger requirement for interest on internal debt.