

MINISTRY OF FINANCE
NO.34 (APPROPRIATION)
Interest Payments

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

		(In crores of Rupees)								
Major Head		Budget 2006-2007			Revised 2006-2007			Budget 2007-2008		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Revenue		...	139822.60	139822.60	...	146191.85	146191.85	...	158994.93	158994.93
Capital		...	...	...	...	...	...	...	...	...
Total		...	139822.60	139822.60	...	146191.85	146191.85	...	158994.93	158994.93
1. Prepayment Premium for reduction of debt	2048	...	...	...	...	...	...	...	2500.00	2500.00
Interest Payments -										
2. Interest on Internal Debt										
2.01 Market Loans	2049	...	83348.79	83348.79	...	81230.02	81230.02	...	89500.00	89500.00
Less accrued interest	0049	...	-6000.00	-6000.00	...	-4500.00	-4500.00	...	-5000.00	-5000.00
<i>Net</i>		...	<i>77348.79</i>	<i>77348.79</i>	...	<i>76730.02</i>	<i>76730.02</i>	...	<i>84500.00</i>	<i>84500.00</i>
2.02 Compensation & Other Bonds	2049	...	3424.41	3424.41	...	7180.19	7180.19	...	3886.48	3886.48
2.03 Discount on Treasury Bills	2049	...	2010.00	2010.00	...	3216.00	3216.00	...	3255.00	3255.00
2.04 Discount on 364 days Treasury Bills	2049	...	1605.00	1605.00	...	1628.00	1628.00	...	2026.00	2026.00
2.05 182 days Treasury Bills	2049	...	440.00	440.00	...	560.00	560.00	...	503.00	503.00
2.06 Management of Debt	2049	...	423.24	423.24	...	358.67	358.67	...	377.14	377.14
2.07 Ways & Means Advances	2049	...	50.00	50.00	...	26.00	26.00	...	150.00	150.00
2.08 Marketable securities issued in conversion of Special securities	2049	...	6608.90	6608.90	...	6608.90	6608.90	...	6198.12	6198.12
2.09 Market Stabilisation Scheme	2049	...	1434.75	1434.75	...	2608.78	2608.78	...	3700.00	3700.00
<i>Total</i>		...	<i>93345.09</i>	<i>93345.09</i>	...	<i>98916.56</i>	<i>98916.56</i>	...	<i>104595.74</i>	<i>104595.74</i>
3. Interest on External Debt	2049	...	3632.15	3632.15	...	3867.73	3867.73	...	4316.88	4316.88
4. Interest on Small Savings, Provident Funds etc.										
4.01 Interest on Small Savings deposits, certificates and operational expenses	2049	...	18130.28	18130.28	...	18149.57	18149.57	...	18390.79	18390.79
4.02 State Provident Funds	2049	...	5050.48	5050.48	...	5059.07	5059.07	...	5232.96	5232.96
4.03 Insurance & Pension Funds	2049	...	3741.47	3741.47	...	4049.23	4049.23	...	4683.24	4683.24
4.04 Special Deposits of Non-Govt. Provident Funds etc.	2049	...	9500.00	9500.00	...	9500.00	9500.00	...	10560.00	10560.00
4.05 Special Securities issued to Nationalised Banks	2049	...	1950.70	1950.70	...	2079.81	2079.81	...	1070.17	1070.17
4.06 Special Securities issued to UTI	2049	...	296.25	296.25	...	296.25	296.25	...	296.25	296.25
4.07 Other Special Deposits	2049	...	955.64	955.64	...	925.57	925.57	...	971.67	971.67
<i>Total</i>		...	<i>39624.82</i>	<i>39624.82</i>	...	<i>40059.50</i>	<i>40059.50</i>	...	<i>41205.08</i>	<i>41205.08</i>
5. Interest on Reserve Funds	2049	...	892.92	892.92	...	890.88	890.88	...	1042.83	1042.83
6. Interest on other obligations										
6.01 Special bonds to Oil Companies	2049	...	1797.23	1797.23	...	1899.44	1899.44	...	3425.86	3425.86
6.02 Special bonds issued to Food Corporation of India	2049	...	...	...	...	...	...	...	1314.30	1314.30
6.03 Interest on other obligations	2049	...	530.39	530.39	...	557.74	557.74	...	594.24	594.24
<i>Total</i>		...	<i>2327.62</i>	<i>2327.62</i>	...	<i>2457.18</i>	<i>2457.18</i>	...	<i>5334.40</i>	<i>5334.40</i>
Grand Total		...	139822.60	139822.60	...	146191.85	146191.85	...	158994.93	158994.93

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.

2. The Appropriation provides for interest charges on Central Government's debt obligations, both internal and external. It also 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.

3. The provision for interest/discount payment on dated securities/treasury bills issued under the Market Stabilisation Scheme is shown separately, in compliance with the provisions of the MOU on MSS dated March 25, 2004.

4. The increase in the Budget Estimates, 2007-2008 is mainly due to larger requirement for interest on market loans and special securities to oil marketing companies and Food Corporation of India (FCI).

5. A provision of Rs.2500 crore is being made for payment of premium on buyback of securities under proposed active debt consolidation scheme.