

**NON-TAX REVENUE**  
**INTEREST RECEIPTS, DIVIDENDS AND PROFITS**

Apart from receipts on account of interest on loans by the Central Government, this Section comprises dividends and profits from public sector enterprises. It also includes surplus profits of the Reserve Bank of India, transferred to Government.

The details by major heads are: –

	(In crore of Rupees)		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<b>(A) Interest Receipts</b>	41578.00	37800.00	41660.01
<b>(B) Dividends and Profits</b>	16229.00	18291.61	18805.00
<b>Total</b>	<b>57807.00</b>	<b>56091.61</b>	<b>60465.01</b>
<b>Interest Receipts</b>			
<b>(i) Interest on loans to-</b>			
(a) States	31866.85	27761.87	27221.03
(b) Union Territories (with Legislature)	757.17	698.92	677.03
(c) Interest payable by Railways	1352.00	1367.88	2679.11
(d) Other Interest receipts	7601.98	7971.33	11082.84
<b>Total</b>	<b>41578.00</b>	<b>37800.00</b>	<b>41660.01</b>

**A. Interest Receipts**

**(a) Interest on loans to States**

In pursuance of the recommendations of the Ninth Finance Commission (Second Report for the period 1990-95) as accepted by the Government, the State Plan loans advanced to States during 1984-89 and outstanding as at the end of 1989-90 have been consolidated for 15 years with 9% rate of interest. The Ninth/Tenth/Eleventh Finance Commission has not recommended any change in respect of the pre-1979 consolidated loans. The pre-1979 consolidated loans carry rate of interest of 4.75 per cent, while those advanced during 1979-84 and consolidated for terms ranging from 15 years to 30 years carry interest at rates varying from 6 per cent to 6.75 per cent.

**(b) Interest on loans to Union Territory Governments**

The interest receipts are estimated at Rs. 698.92 crore in Revised Estimate 2001-2002 and at Rs. 677.03 crore in Budget Estimate 2002-2003.

**(c) Interest payable by Railways**

The estimates of dividend for the year 2001-2002 have been framed on the basis of the Second Report of RCC (1999), which was adopted by the Lok Sabha on 23.2.2001. In absence of subsequent recommendations of the RCC, the estimates for the year 2002-2003 have been framed on the basis of the arrangements adopted for 2001-2002. These arrangements are:

- (i) Except for the Capital cost of residential buildings which bears dividend at 3.5 per cent, Railways pay dividend at 7% on entire dividend-paying capital irrespective of the year of investment (inclusive of 1.5% on dividend bearing capital less subsidy capital invested upto 31.3.1964, for payment to States in lieu of Passenger fares tax).
- (ii) The Railways do not pay dividend on capital in respect of:
  - (1) Strategic Lines - the annual loss in respect of working of such lines is borne by General Revenues and surplus, if any, in their working is transferred to General Revenues upto the level of normal dividend.
  - (2) Unremunerative branch lines - the exemption of a particular branch line from payment of dividend on capital is based on annual review of the un-remunerativeness of the line, the remunerativeness being determined on the basis of the 'marginal cost' principle.
  - (3) Ferries, welfare buildings (hospitals, dispensaries, health units, clubs, institutes, schools and colleges, hostels and other welfare centres) and non-strategic portion of the Northeast Frontier Railway.

- (4) Ore lines (Kiriburu-Bimlagarh and Sambhalpur-Titlagarh lines, which involve concessional rates of freight for the carriage of ore) provided that they are not remunerative, the remunerativeness being determined on the basis of the 'marginal cost' principle.
- (5) 28 'new lines' taken up on or after 1st April, 1955 on 'other than financial' considerations, except those which become remunerative during the year adopting the 'marginal cost' principle; this arrangement applies also to Jammu-Kathua and Tirunelveli - Trivandrum - Kanyakumari lines, which are known as 'national investments'.

On the 'new lines' other than those referred to above, dividend on capital invested is deferred during the period of construction as well as for the first five years after their opening. The deferred dividend is recoverable from the sixth year, provided the net income of the new lines leaves a surplus after payment of the current dividend. The account of the unliquidated deferred dividend on these lines is closed after a period of 20 years from the date of their opening, extinguishing any liability for deferred dividend not liquidated within that period.

- (iii) 50 per cent of the outlay in a year on capital works-in-progress (which would otherwise be liable to payment of dividend) is exempted from payment of dividend for a period of three years.
- (iv) The above dividend concessions (except losses in the working of strategic lines) are provided to Railways in the form of subsidy from General Revenues.
- (v) In years in which the net revenue of the Railways is not adequate to meet the current dividend liability, the shortfall in the payment of the current dividend is treated as deferred dividend liability (on which no interest is charged) to be discharged by Railways from surplus in future years.

Based on the principles mentioned above, the estimates of dividend payable by Railways for Revised Estimates 2001-2002 and Budget Estimates 2002-2003 work out as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
(i) Dividend on Capital at charge (net of subsidy payable by General Revenues)	1628.72	1627.82	1778.18
(ii) Subsidy payable by General Revenues	912.91	965.82	1128.94
(iii) Payment by Railways in lieu of Tax on Railway Passenger Fares	23.12	23.12	23.12
(iv) Payment by Railways for assistance to States for railway safety works	...	...	...
<b>Total</b>	<b>2564.75</b>	<b>2616.76</b>	<b>2930.24</b>
<b>Less-Loss on working of 'Strategic Lines'</b>	<b>212.75</b>	<b>248.88</b>	<b>251.13</b>
<b>Dividend payable by Railways taken as interest</b>	<b>2352.00</b>	<b>2367.88</b>	<b>2679.11</b>
Less Dividend deferred	1000.00	1000.00	...
<b>Net dividend payable by Railways taken as interest</b>	<b>1352.00</b>	<b>1367.88</b>	<b>2679.11</b>

Out of the 1.5 per cent dividend paid by the Railways on the pre-1964-65 capital, an amount of Rs.23.12 crores is contributed by the Railways for being passed on to the States as grant in lieu of the repealed tax on railway passenger fares and the balance, which hitherto was contributed to the Railway Safety works fund, is from 2001-2002, credited to the newly created 'Railway Safety Works Fund' directly by the Railways with the approval of Ministry of Finance and the RCC (1999).

#### **(d) Other Interest Receipts**

The estimates under 'Other Interest Receipts' are in respect of interest on loans advanced to Public Sector Enterprises, Port Trusts and other Statutory Bodies, Cooperatives, Government servants, etc. and capital outlay on Departmental Commercial Undertakings.

The receipts also include interest from Railways against loans advanced to the Railway Development Fund.

#### **B. Dividends and Profits:**

The details are as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
(i) Dividends from Public Sector Enterprises and on other investments	5419.50	10295.78	8043.36
(ii) Dividend/Surplus profit of Reserve Bank of India, Nationalised Banks and Financial Institutions	10809.50	10254.22	10761.64
<b>Total</b>	<b>16229.00</b>	<b>20550.00</b>	<b>18805.00</b>

**OTHER NON-TAX REVENUE**

Broad details of revenue are as follows :-

	(In crore of Rupees)		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
1. Fiscal Services	1317.20	1154.72	1077.72
2. Other General Services	6416.48	7196.03	7918.72
3. Social Services	220.64	235.01	254.73
4. Economic Services	14067.05	16183.33	13805.66
5. Grants-in-aid and Contributions	697.82	826.00	859.09
<b>Total</b>	<b>22719.19</b>	<b>25595.09</b>	<b>23915.92</b>
Less—			
Commercial Departments*	12256.45	11946.59	12748.78
<b>Net-Other Non-Tax Revenue</b>	<b>10462.74</b>	<b>13648.50</b>	<b>11167.14</b>

\* Details of receipts of the commercial departments by sectors/sub-sectors are as follows:—

Fiscal Services	1010.90	890.54	811.30
Other General Services	3723.84	3726.86	4099.49
Economic Services	7521.71	7329.19	7837.99
<b>Total</b>	<b>12256.45</b>	<b>11946.59</b>	<b>12748.78</b>

**FISCAL SERVICES**

The estimates are as follows:

Fiscal Services	1317.20	1154.72	1077.72
Less-Receipts of Commercial Departments	1010.90	890.54	811.30
<b>Net</b>	<b>306.30</b>	<b>264.18</b>	<b>266.42</b>

**Commercial Departments :**

The details of the estimates of receipts by commercial departments are as follows:-

(a) Currency, Coinage and Mint:			
Currency Note Press	448.45	358.05	303.74
Bank Note Press	250.00	210.00	190.00
Security Paper Mill	92.85	108.09	86.06
<b>Total</b>	<b>791.30</b>	<b>676.14</b>	<b>579.80</b>
(b) Other fiscal services:			
India Security Press	181.60	176.49	191.50
Security Printing Press	38.00	38.00	40.00
<b>Total</b>	<b>219.60</b>	<b>214.40</b>	<b>231.50</b>

The net receipts comprise:-

(a) Currency, Coinage and Mint:			
(i) Profits from circulation of coins	280.00	200.00	200.00
(ii) Mints	8.45	8.25	7.59
<b>Total</b>	<b>288.45</b>	<b>208.25</b>	<b>207.59</b>
(b) Other Fiscal Services	17.85	55.93	58.83
<b>Total Fiscal Services</b>	<b>306.30</b>	<b>264.18</b>	<b>266.42</b>

**(a) Currency, Coinage and Mint:-** Profits from circulation of coins represents the difference between the face value of coins and their metal value.

The receipts under 'Mints' relate mainly to refining and assaying charges.

Receipts under 'Silver Refinery' mainly relate to sale proceeds of material auctioned.

**(b) Other Fiscal Services:-** The receipts mainly relate to contributions by Reserve Bank of India towards EFF charges payable to the International Monetary Fund, remunerations etc. received from IMF and penalties etc. realised against economic offences.

The receipts from the above commercial departments have been taken in reduction of expenditure and are dealt with in the Expenditure Budget.

**OTHER GENERAL SERVICES**

The estimates are as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
Other General Services	6416.48	7196.03	7918.72
Less- Receipts of Commercial Department	3723.84	3726.86	4099.49
<b>Net</b>	<b>2692.64</b>	<b>3469.17</b>	<b>3819.23</b>
The net receipts comprise:-			
(i) Administrative services			
Public Service Commission	14.81	14.04	16.04
Police	946.48	986.57	1024.16
Supplies and Disposals	43.02	48.32	48.02
Stationery and Printing	8.52	9.40	10.50
Public Works	70.70	100.20	87.20
Other Administrative Services	579.63	687.13	893.87
(ii) Contribution and recoveries towards pension and other retirement benefits	524.32	870.78	961.86
(iii) Miscellaneous general services	505.16	752.73	777.58
<b>Total</b>	<b>2692.64</b>	<b>3469.17</b>	<b>3819.23</b>

The Commercial Department receipts relate to Defence Services Canteen Stores Department (CSD) which are dealt with under net expenditure of Commercial Departments in the Expenditure Budget.

The receipts of 'Public Service Commission' mainly represent examination fees, etc. of the Union Public Service Commission and Staff Selection Commission.

The receipts of 'Police' are on account of Central Police Forces supplied to State Governments and other parties. These receipts also include the receipts of Delhi Police.

The receipts under 'Supplies and Disposals' mainly relate to the fees for purchase and inspection of stores; and sale proceeds of surplus and obsolete stores disposed off through Directorate General of Supplies and Disposals.

The receipts under 'Stationery and Printing' relate to government printing presses, sale of stationery, gazettes and government publications etc.

'Public Works' accommodates all receipts relating to Central Public Works Department other than rent of government residential buildings.

The receipts under the head 'Other Administrative Services' mainly relate to audit fees, passport and visa fees, etc. The increase is mainly on account of larger receipts from Audit fees and passport and visa fees.

The head 'Miscellaneous General Services' pertains, to receipts relating to unclaimed balances of postal certificates/ market loans written-off to revenue, guarantee fees etc.

**SOCIAL SERVICES**

The estimates are as follows:

	<i>(In crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<b>Social Services</b>	<b>220.64</b>	<b>235.01</b>	<b>254.73</b>

The estimates of receipts, other than the commercial Departments, comprise the following:-

Education, Sports, Art and Culture	22.12	26.14	20.43
Medical and Public Health	62.40	67.23	88.92
Family Welfare	17.05	18.30	20.40
Housing	57.96	61.13	62.24
Information and Publicity	58.37	57.47	57.97
Labour and Employment	2.22	4.03	4.05
Social Security and Welfare	0.52	0.71	0.72
<b>Total</b>	<b>220.64</b>	<b>235.01</b>	<b>254.73</b>

The receipts under 'Education, Sports, Art and Culture' mainly relate to tuition and other fees, and entry fees at museums and the ancient monuments.

'Medical' receipts include contributions for Central Government Health Scheme and charges realised from patients for hospital and dispensary services etc.. 'Public Health' receipts include service fees, sale proceeds of sera and vaccine, etc.

'Family Welfare' receipts mainly relate to sale proceeds of material and supplies.

'Housing' receipts mainly relate to licence fees for Government residential buildings.

'Urban Development' receipts include licence fees and ground rent.

'Information and Publicity' receipts include charges from advertising and visual publicity, sale of publications and film rentals.

'Labour and Employment' receipts relate mainly to fees realised under labour laws, Factories and Mines Act, etc.

The receipts under 'Social Security and Welfare' mainly relate to Central Government Employees Insurance Scheme.

### **ECONOMIC SERVICES**

The estimates are as follows:-

	Budget 2001-2002	(in crore of Rupees) Revised 2001-2002	Budget 2002-2003
<b>Economic Services</b>	<b>14067.05</b>	<b>16183.33</b>	<b>13805.66</b>
<i>Less-Commercial</i>			
<i>Departments</i>	<i>7521.71</i>	<i>7329.19</i>	<i>7837.99</i>
<b>Net</b>	<b>6545.34</b>	<b>8854.14</b>	<b>5967.67</b>

#### *Commercial Departments*

The details of the receipt estimates by commercial departments are given below:-

	Budget 2001-2002	(In crore of Rupees) Revised 2001-2002	Budget 2002-2003
<i>Agriculture and allied activities:</i>			
Delhi Milk Scheme	136.00	118.57	118.57
<i>Industry and Minerals:</i>			
Opium and Alkaloid Factories	353.00	305.00	335.00
Fuel Fabrication Facilities	659.63	772.72	770.96
<b>Total</b>	<b>1148.63</b>	<b>1196.29</b>	<b>1224.53</b>
<i>Energy:</i>			
Badarpur Thermal Power Station	970.00	992.00	1050.81
Rajasthan Atomic Power Station	154.35	75.30	161.20
Fuel Inventory	808.19	734.73	705.38
Heavy Water Pool Management	609.40	498.37	516.07
<b>Total</b>	<b>2541.94</b>	<b>2300.40</b>	<b>2433.46</b>
<i>Transport:</i>			
Lighthouses and lightships	78.68	80.00	80.00
<i>Communications:</i>			
Postal Services	3752.46	3752.50	4100.00
<b>Total-Commercial Departments</b>	<b>7521.71</b>	<b>7329.19</b>	<b>7837.99</b>

The receipts of these commercial departments have been taken in reduction of expenditure and are dealt with in the Expenditure Budget.

The estimates of the net receipts comprise as follows:-

	Budget 2001-2002	(In crore of Rupees) Revised 2001-2002	Budget 2002-2003
(i) Agriculture and Allied Activities	73.31	108.73	108.43
(ii) Irrigation and Flood Control	10.20	10.20	10.62
(iii) Energy	3714.77	3526.33	2819.60
(iv) Industry and Minerals	245.08	83.41	73.57
(v) Transport	128.74	146.52	155.58
(vi) Communications	3725.59	7395.21	5245.82
<i>Less contribution from BSNL</i>	<i>2185.00</i>	<i>3103.00</i>	<i>3100.00</i>
<i>Net</i>	<i>1540.59</i>	<i>4292.21</i>	<i>2145.82</i>
(vii) Science, Technology and Environment	70.40	178.17	88.81
(viii) General Economic Services	762.25	508.57	565.24
<b>Total</b>	<b>6545.34</b>	<b>8854.14</b>	<b>5967.67</b>

The details of these receipt estimates by major heads of account under each sub-sector are given below:-

**(i) Agriculture and Allied Activities:**

	(In crore of Rupees)		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
Crop Husbandry	34.00	59.30	59.30
Animal Husbandry	6.00	6.75	6.45
Dairy Development	0.15	0.57	0.57
Fisheries	2.73	1.91	1.91
Forestry and Wild Life	5.00	5.00	5.00
Food Storage and Warehousing	15.43	25.20	25.20
Other Agricultural Programmes	10.00	10.00	10.00
<b>Total</b>	<b>73.31</b>	<b>108.73</b>	<b>108.43</b>

This sub-sector accommodates receipts from agricultural farms, commercial crops, horticulture, plant protection services, fees from agricultural education, fees for quality control and grading of agricultural products etc. Sale proceeds of inputs like seeds, fertilizers, machinery, etc. received as aid from foreign countries and organisations are also accounted for under it.

**(ii) Irrigation and Flood Control :**

Major and Medium Irrigation	9.00	9.00	9.42
Minor Irrigation	1.20	1.20	1.20
<b>Total</b>	<b>10.20</b>	<b>10.20</b>	<b>10.62</b>

The estimates under the head "Major and Medium Irrigation" represent mainly the receipts of Central Water Commission and Central Water Power Research Station, Pune. The estimates under "Minor Irrigation" relate to receipts of Central Ground Water Board for ground water exploration undertaken by it for State Governments, etc.

**(iii) Energy :**

Power	9.00	9.00	3.00
Petroleum	3705.65	3517.21	2816.45
Coal and Lignite	0.01	0.01	0.01
Non-Conventional Sources of Energy	0.11	0.11	0.14
<b>Total</b>	<b>3714.77</b>	<b>3526.33</b>	<b>2819.60</b>

The head 'Power' records receipts of the Central Electricity Authority under the Electricity (Supply) Act etc.

Under the head 'Petroleum' the estimates include receipts from royalty on crude oil and gas. These do not include the contribution received from Oil Pool Account toward redemption of petroleum bonds, which is not reckoned as non-tax revenue for financing.

**(iv) Industry and Minerals :**

Village and Small Industries	17.20	16.75	16.85
Industries	214.72	56.08	46.14
Non-ferrous Mining and Metallurgical Industries	13.16	10.58	10.58
<b>Total</b>	<b>245.08</b>	<b>83.41</b>	<b>73.57</b>

The head "Village and Small Industries" records receipts from industrial estates, small scale, handloom, khadi, handicraft, coir, sericulture, powerloom and other village industries.

Receipts under 'Industries' relate mainly to atomic energy industries and licence fees collected from various industries.

The head "Non-ferrous Mining and Metallurgical Industries" mainly accommodates receipts on account of specified jobs undertaken by the Geological Survey of India.

	(In crore of Rupees)		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
<b>(v) Transport</b>			
Shipping	21.83	31.26	32.08
Civil Aviation	3.30	3.30	3.50
Roads and Bridges	103.61	111.96	120.00
<b>Total</b>	<b>128.74</b>	<b>146.52</b>	<b>155.58</b>

The head "Shipping" account for receipts of survey and registration fees of ships and ferry services.

The head "Roads and Bridges" includes receipts on account of national highways, including fees for use of National highways permanent bridges and also departmental charges recovered from State Governments and other bodies for services rendered by the Border Roads Development Board.

**(vi) Communications:**

	<i>(In crore of Rupees)</i>		
	Budget 2001-2002	Revised 2001-2002	Budget 2002-2003
Other Communication Services	3725.59	7395.21	5245.82

Receipts under 'Other Communication Services' mainly relate to the licence fees for Basic/Cellular Telecom services, Wireless Planning and Coordination Organisation and licence fees from VSNL, MTNL & BSNL.

**(vii) Science, Technology and Environment:**

Atomic Energy Research	21.66	23.64	24.58
Other Scientific Services and Research	48.74	154.53	64.23
<b>Total</b>	<b>70.40</b>	<b>178.17</b>	<b>88.81</b>

The receipts under 'Atomic Energy Research' relate to sales and services rendered by various divisions/units of Bhabha Atomic Research Centre.

"Other Scientific Services and Research" receipts mainly relate to the Survey of India, National Atlas and Thematic Mapping Organisation, etc.

**(viii) General Economic Services:**

Foreign Trade and Export Promotion	124.85	144.40	146.80
Other General Economic Services	636.35	363.32	417.74
Tourism	0.75	0.75	0.60
Civil Supplies	0.30	0.10	0.10
<b>Total</b>	<b>762.25</b>	<b>508.57</b>	<b>565.24</b>

One of the main receipts under the head "Foreign Trade and Export Promotion" relates to receipts on revaluation of foreign currency in favour of India in respect of balances under Trade and Payment Agreements.

The head "Other General Economic Services" mainly accommodates receipts on account of regulation of joint stock companies and fees realised under the Insurance Act. It also includes receipts of the Indian Meteorological Department, fees realised by National Informatics Centre for services rendered by it to non-Government bodies and Risk Insurance Fund receipts.

**GRANTS-IN-AID AND CONTRIBUTIONS**

The estimates are in respect of Grant assistance, in cash and kind, from external sources. The details are :

(i) External Grant Assistance	656.76	790.93	824.36
(ii) Aid Material & Equipment	41.06	35.07	34.73
<b>Total</b>	<b>697.82</b>	<b>826.00</b>	<b>859.09</b>

Further details are given in Statement 2 to Annexure 2 of this document.

**NON-TAX REVENUE OF UNION TERRITORIES :**

The estimates are as follows :-

Receipts of Union Territories (without legislature)	444.41	484.25	508.00
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The receipts of the Union Territories (without legislature) mainly relate to administrative services, sale of timber and forest produce mainly in Andaman and Nicobar Islands, receipts from Chandigarh Transport Undertaking and receipts from shipping, tourism and power.