

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: –

(A) Interest Receipts	41660.01	40571.01	39159.58
(B) Dividends and Profits	18805.00	20193.94	17861.07
Total	60465.01	60764.95	57020.65
Interest Receipts			
(i) Interest on loans to-			
(a) States	27221.03	29322.30	30022.51
(b) Union Territories (with Legislature)	677.03	803.47	758.08
(c) Interest payable by Railways	2679.11	2584.66	2977.42
(d) Other Interest receipts	11082.84	7860.58	5401.57
Total	41660.01	40571.01	39159.58

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. 803.47 crore in Revised Estimate 2002-2003 and at Rs. 758.08 crore in Budget Estimate 2003-2004.

(c) Interest payable by Railways

The estimates of dividend for the year 2002-2003 have been framed on the basis of the Fifth Report of RCC (1999), which was adopted by the Lok Sabha on 9.8.2002. In absence of subsequent recommendations of the RCC, the estimates for the year 2003-2004 have been framed on the basis of the arrangements adopted for 2002-2003. 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 unremunerativeness 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 2002-2003 and Budget Estimates 2003-2004 work out as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
(i) Dividend on Capital at charge (net of subsidy payable by General Revenues)	1778.18	1810.81	1963.62
(ii) Subsidy payable by General Revenues	1128.94	1071.26	1213.43
(iii) Payment by Railways in lieu of Tax on Railway Passenger Fares	23.12	23.12	23.12
Total	2930.24	2905.19	3200.17
Less-Loss on working of 'Strategic Lines'	251.13	320.53	270.25
Dividend payable by Railways taken as interest	2679.11	2584.66	2929.92
Payment to General Revenue on account of the repayment liability towards MUTP external loan.	47.50

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 & Company Affairs and the RCC (1999).

(d) Other Interest Receipts :

The estimates under 'Other Interest Receipts' are in respect of interests 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:—

	Budget 2002-2003	Revised 2002-2003	(In crore of Rupees) Budget 2003-2004
(i) Dividends from Public Sector Enterprises and on other investments	8043.36	8627.45	7136.43
(ii) Dividend/Surplus profit of Reserve Bank of India, Nationalised Banks and Financial Institutions	10761.64	11566.49	10724.64
Total	18805.00	20193.94	17861.07

OTHER NON-TAX REVENUE

Broad details of revenue are as follows :-

1. Fiscal Services	1077.72	1239.23	1220.34
2. Other General Services	7918.72	8177.64	8371.69
3. Social Services	254.73	254.96	242.70
4. Economic Services	13805.66	14733.39	15520.12
5. Grants-in-aid and Contributions	859.09	981.75	1461.03
Total	23915.92	25386.97	26815.88
Less—			
Commercial Departments as other receipts*	12748.78	13916.21	14617.11
Net-Other Non-Tax Revenue	11167.14	11470.76	12198.77

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

Fiscal Services	811.30	936.65	912.50
Other General Services	4099.49	4979.35	5438.71
Economic Services	7837.99	8000.21	8265.90
Total	12748.78	13916.21	14617.11

FISCAL SERVICES

The estimates are as follows:

Fiscal Services	1077.72	1239.23	1220.34
Less-Receipts of Commercial Departments	811.30	936.65	912.50
Net	266.42	302.58	307.84

Commercial Departments :

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

(a) Currency, Coinage and Mint:			
Currency Note Press	303.74	345.64	328.30
Bank Note Press	190.00	230.00	230.00
Security Paper Mill	86.06	130.00	120.07
Total	579.80	705.64	678.37
(b) Other fiscal services:			
India Security Press	191.50	193.01	196.13
Security Printing Press	40.00	38.00	38.00
Total	231.50	231.01	234.13

The net receipts comprise:—

(a) Currency, Coinage and Mint:			
(i) Profits from circulation of coins	200.00	250.00	280.00
(ii) Mints	7.59	9.31	8.54
Total	207.59	259.31	288.54
(b) Other Fiscal Services	58.83	43.27	19.30
Total Fiscal Services	266.42	302.58	307.84

(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.

(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:-

	Budget 2002-2003	Revised 2002-2003	(In crore of Rupees) Budget 2003-2004
Other General Services	7918.72	8177.64	8371.69
Less- Receipts of Commercial Department	4099.49	4139.55	4427.51
Other Receipts	...	839.80	1011.20
Net	3819.23	3198.29	2932.98
The net receipts comprise:-			
(i) Administrative services			
Public Service Commission	16.04	11.80	16.00
Police	1024.16	1027.31	1059.35
Supplies and Disposals	48.02	42.10	44.00
Stationery and Printing	10.50	10.50	10.60
Public Works	87.20	151.69	79.60
Other Administrative Services	893.87	901.73	940.50
(ii) Contribution and recoveries towards pension and other retirement benefits	961.86	1100.94	1166.20
Less from BSNL	...*	839.80	1011.20
Net	961.86	261.14	155.00
(iii) Miscellaneous general services	777.58	792.02	627.93
Total	3819.23	3198.29	2932.98

* An amount of Rs. 800 crore in BE 2002-2003 was shown as receipts under Economic Services.

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 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:

	Budget 2002-2003	Revised 2002-2003	(In crore of Rupees) Budget 2003-2004
Social Services	254.73	254.96	242.70
The estimates of receipts, other than the commercial Departments, comprise the following:-			
Education, Sports, Art and Culture	20.43	27.85	29.86
Medical and Public Health	88.92	98.99	83.24
Family Welfare	20.40	18.80	18.80
Housing	62.24	49.82	49.62
Information and Publicity	57.97	54.74	56.33
Labour and Employment	4.05	3.75	3.81
Social Security and Welfare	0.72	1.01	1.04
Total	254.73	254.96	242.70

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.

'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 2002-2003	Revised 2002-2003	(In crore of Rupees) Budget 2003-2004
Economic Services	13805.66	14733.39	15520.12
<i>Less-Commercial</i>			
<i>Departments and other receipts</i>	<i>7837.99</i>	<i>8000.21</i>	<i>8265.90</i>
Net	5967.67	6733.18	7254.22

Commercial Departments

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

<i>Agriculture and allied activities:</i>			
Delhi Milk Scheme	118.57	118.57	206.90
<i>Industry and Minerals:</i>			
Opium and Alkaloid Factories	335.00	291.00	335.00
Fuel Fabrication Facilities	770.96	775.38	766.00
Total	1105.96	1066.38	1101.00
<i>Energy:</i>			
Badarpur Thermal Power Station	1050.81	1102.26	1140.00
Rajasthan Atomic Power Station	161.20	60.00	187.00
Fuel Inventory	705.38	836.00	833.00
Heavy Water Pool			
Management	516.07	773.00	516.00
Total	2433.46	2771.26	2676.00
<i>Transport:</i>			
Lighthouses and lightships	80.00	82.00	82.00
<i>Communications:</i>			
Postal Services	4100.00	3962.00	4200.00
Total-Commercial Departments	7837.99	8000.21	8265.90

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 2002-2003	Revised 2002-2003	(In crore of Rupees) Budget 2003-2004
(i) Agriculture and Allied Activities	108.43	97.26	98.29
(ii) Irrigation and Flood Control	10.62	11.50	11.70
(iii) Energy	2819.60	3188.48	2979.58
(iv) Industry and Minerals	73.57	257.51	96.65
(v) Transport	155.58	168.03	175.53
(vi) Communications	5245.82	4651.05	3231.32
<i>Less contribution from BSNL</i>	<i>3100.00</i>	<i>2300.00</i>	<i>...</i>
Net	2145.82	2351.05	3231.32
(vii) Science, Technology and Environment	88.81	102.23	97.53
(viii) General Economic Services	565.24	557.12	563.62
Total	5967.67	6733.18	7254.22

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

	(In crore of Rupees)		
	Budget 2002-2003	Revised 2002-2003	Budget 2003-2004
(i) Agriculture and Allied Activities:			
Crop Husbandry	59.30	68.70	69.21
Animal Husbandry	6.45	7.20	7.25
Dairy Development	0.57
Fisheries	1.91	1.14	1.11
Forestry and Wild Life	5.00	5.00	5.00
Food Storage and Warehousing	25.20	4.22	4.22
Other Agricultural Programmes	10.00	11.00	11.50
Total	108.43	97.26	98.29

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	9.42	10.00	10.00
Minor Irrigation	1.20	1.50	1.70
Total	10.62	11.50	11.70

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	3.00	142.90	11.65
Petroleum	2816.45	3045.43	2967.78
Coal and Lignite	0.01	0.01	0.01
Non-Conventional Sources of Energy	0.14	0.14	0.14
Total	2819.60	3188.48	2979.58

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.

(iv) Industry and Minerals :			
Village and Small Industries	16.85	18.40	18.60
Industries	46.14	225.99	64.90
Non-ferrous Mining and Metallurgical Industries	10.58	13.12	13.15
Total	73.57	257.51	96.65

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.

(v) Transport			
Ports and Lighthouses	...	34.94	39.14
Shipping	32.08	29.19	33.39
Civil Aviation	3.50	3.90	3.00
Roads and Bridges	120.00	100.00	100.00
Total	155.58	168.03	175.53

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:

Other Communication Services	2145.82	2351.05	3231.32
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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	24.58	25.14	22.99
Other Scientific Services and Research	64.23	77.09	74.54
Total	88.81	102.23	97.53

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	146.80	147.60	151.35
Other General Economic Services	417.74	408.88	411.63
Tourism	0.60	0.60	0.60
Civil Supplies	0.10	0.04	0.04
Total	565.24	557.12	563.62

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	824.36	934.32	1373.14
(ii) Aid Material & Equipment	34.73	47.43	87.89
Total	859.09	981.75	1461.03

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)	508.00	523.37	546.20
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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.