

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	39159.58	35998.81	36950.00
(B) Dividends and Profits	17861.07	22080.84	18875.13
Total	57020.65	58079.65	55825.13
Interest Receipts			
(i) Interest on loans to-			
(a) States	30022.51	28277.71	29438.59
(b) Union Territories (with Legislature)	758.08	589.70	543.54
(c) Interest payable by Railways	2977.42	3312.67	3650.00
(d) Other Interest receipts	5401.57	3818.73	3317.87
Total	39159.58	35998.81	36950.00

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 Commissions have 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.

The interest receipts from States have been impacted upon by the State Debt Swap Scheme introduced by Government of India to supplement the efforts of States towards fiscal consolidation. The scheme enables States to prepay high cost loans contracted from Government of India in the past, with current low coupon bearing small savings transfers and additional open market borrowings. Loans amounting to Rs. 59,977 crore bearing coupon of 13 per cent and above have been swapped upto 31st March, 2004 (Provisional) under the scheme.

(b) Interest on loans to Union Territory Governments

The interest receipts are estimated at Rs. 589.70 crore in Revised Estimate 2003-2004 and at Rs. 543.54 crore in Budget Estimate 2004-2005.

(c) Interest payable by Railways

The estimates of dividend for the year 2003-2004 have been framed on the basis of the Eighth Report of RCC (1999), which was adopted by the Lok Sabha on 15.12.2003. In the absence of subsequent recommendations of the RCC, the estimates for the year 2004-2005 have been framed on the basis of the arrangements adopted for 2003-2004. 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 2003-2004 and Budget Estimates 2004-2005 work out as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2003-2004	Revised 2003-2004	Budget 2004-2005
(i) Dividend on Capital at charge (net of subsidy payable by General Revenues)	1963.62	1987.48	2180.22
(ii) Subsidy payable by General Revenues	1213.43	1228.10	1362.16
(iii) Payment by Railways in lieu of Tax on Railway Passenger Fares	23.12	23.12	23.12
Total	3200.17	3238.70	3565.50
Less-Loss on working of 'Strategic Lines'	270.25	273.53	263.00
Dividend payable by Railways taken as interest	2929.92	2965.17	3302.50
Repayment of Deferred Dividend Liability	...	300.00	300.00
Payment to General Revenue on account of the repayment liability towards MUTP external loan.	47.50	47.50	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 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 2003-2004	Revised 2003-2004	(In crore of Rupees) Budget 2004-2005
(i) Dividends from Public Sector Enterprises and on other investments	7136.43	10841.18	12978.57
(ii) Dividend/Surplus profit of Reserve Bank of India, Nationalised Banks and Financial Institutions	10724.64	11239.66	5896.56
Total	17861.07	22080.84	18875.13

OTHER NON-TAX REVENUE

Broad details of revenue are as follows :-

1. Fiscal Services	1220.34	1520.45	1185.02
2. Other General Services	8371.72	9049.30	10345.62
3. Social Services	242.70	358.12	362.80
4. Economic Services	15520.12	22491.05	19756.23
5. Grants-in-aid and Contributions	1461.03	2857.13	3597.93
Total	26815.91	36276.05	35247.60
Less—			
Commercial Departments as other receipts*	14617.11	19446.20	16274.70
Net-Other Non-Tax Revenue	12198.80	16829.85	18972.90

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

Fiscal Services	912.50	1271.05	934.60
Other General Services	5438.71	5885.54	6945.75
Economic Services	8265.90	12289.61	8394.35
Total	14617.11	19446.20	16274.70

FISCAL SERVICES

The estimates are as follows:

Fiscal Services	1220.34	1520.45	1185.02
Less-Receipts of Commercial Departments	912.50	1271.05	934.60
Net	307.84	249.40	250.42

Commercial Departments :

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

(a) Currency, Coinage and Mint:			
Currency Note Press	328.30	328.30	328.30
Bank Note Press	230.00	600.00	300.00
Security Paper Mill	120.07	99.75	103.30
Total	678.37	1028.05	731.60
(b) Other fiscal services:			
India Security Press	196.13	205.00	165.00
Security Printing Press	38.00	38.00	38.00
Total	234.13	243.00	203.00

The net receipts comprise:—

(a) Currency, Coinage and Mint:			
(i) Profits from circulation of coins	280.00	220.00	220.00
(ii) Mints	8.54	12.00	12.00
Total	288.54	232.00	232.00
(b) Other Fiscal Services	19.30	17.40	18.42
Total Fiscal Services	307.84	249.40	250.42

(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 2003-2004	Revised 2003-2004	(In crore of Rupees) Budget 2004-2005
Other General Services	8371.72	9049.30	10345.62
Less- Receipts of			
Commercial Department	4427.51	4459.34	5162.01
Other Receipts	1011.20	1426.20	1783.74
Net	2933.01	3163.76	3399.87
The net receipts comprise:-			
(i) Administrative services			
Public Service Commission	16.00	12.00	12.30
Police	1059.35	1219.74	1230.75
Supplies and Disposals	44.00	42.25	43.25
Stationery and Printing	10.60	14.75	14.50
Public Works	79.60	84.67	79.68
Other Administrative Services	940.50	1097.84	1374.31
(ii) Contribution and recoveries towards			
pension and other retirement benefits	1166.20	1232.76	1356.31
(iii) Miscellaneous general services	627.93	885.95	1072.51
Total	3944.18	4589.96	5183.61
Less Receipt from BSNL & Other Receipts	1011.20	1426.20	1783.74
Net	2932.98	3163.76	3399.87

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:

Social Services	242.70	358.12	362.80
The estimates of receipts, other than the commercial Departments, comprise the following:-			
Education, Sports, Art and Culture	29.86	31.77	32.03
Medical and Public Health	83.24	82.25	87.46
Family Welfare	18.80	19.70	19.70
Housing	49.62	65.30	65.12
Information and Publicity	56.33	154.32	153.65
Labour and Employment	3.81	3.69	3.69
Social Security and Welfare	1.04	1.09	1.15
Total	242.70	358.12	362.80

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 materials 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 2003-2004	Revised 2003-2004	(In crore of Rupees) Budget 2004-2005
Economic Services	15520.12	22491.05	19756.23
<i>Less-Commercial</i>			
<i>Departments and other receipts</i>	<i>8265.90</i>	<i>12289.61</i>	<i>8394.35</i>
Net	7254.22	10201.44	11361.88

Commercial Departments

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

<i>Agriculture and allied activities:</i>			
Delhi Milk Scheme	206.90	141.63	190.26
<i>Industry and Minerals:</i>			
Opium and Alkaloid Factories	335.00	270.00	285.00
Fuel Fabrication Facilities	766.00	671.24	601.05
Total	1101.00	941.24	886.05
<i>Energy:</i>			
Badarpur Thermal Power Station	1140.00	1043.93	1079.00
Rajasthan Atomic Power Station	187.00	141.17	178.90
Fuel Inventory	833.00	928.51	869.15
Heavy Water Pool Management	516.00	608.40	556.99
Total	2676.00	2722.01	2684.04
<i>Transport:</i>			
Lighthouses and lightships	82.00	80.00	80.00
<i>Communications:</i>			
Postal Services	4200.00	4353.50	4554.00
Total-Commercial Departments	8265.90	8238.38	8394.35

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:-

(i) Agriculture and Allied Activities	98.29	97.65	99.11
(ii) Irrigation and Flood Control	11.70	8.73	9.50
(iii) Energy	2979.58	3177.67	3947.06
(iv) Industry and Minerals	96.65	165.07	119.47
(v) Transport	175.53	126.79	126.81
(vi) Communications	3231.32	8224.34	6326.64
<i>Less contribution from BSNL</i>	<i>...</i>	<i>2300.00</i>	<i>...</i>
Net	3231.32	5924.34	6326.64
(vii) Science, Technology and Environment	97.55	104.91	104.96
(viii) General Economic Services	563.62	596.28	628.33
Total	7254.24	10201.44	11361.88

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

	(In crore of Rupees)		
	Budget 2003-2004	Revised 2003-2004	Budget 2004-2005
(i) Agriculture and Allied Activities:			
Crop Husbandry	69.21	69.90	71.35
Animal Husbandry	7.25	6.42	6.41
Dairy Development	...	0.15	0.15
Fisheries	1.11	1.72	1.74
Forestry and Wild Life	5.00	3.50	3.50
Food Storage and Warehousing	4.22	5.71	5.71
Other Agricultural Programmes	11.50	10.25	10.25
Total	98.29	97.65	99.11

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	10.00	7.23	7.50
Minor Irrigation	1.70	1.50	2.00
Total	11.70	8.73	9.50

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	11.65	16.00	14.00
Petroleum	2967.78	3161.54	3932.91
Coal and Lignite	0.01	0.01	0.01
Non-Conventional Sources of Energy	0.14	0.12	0.14
Total	2979.58	3177.67	3947.06

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 Profit Petroleum, royalty on crude oil and gas produced off shore, and licence fee for the right to exclusive exploration of oil and gas in a particular region.

(iv) Industry and Minerals :			
Village and Small Industries	18.60	21.75	22.35
Industries	64.90	132.25	86.02
Non-ferrous Mining and Metallurgical Industries	13.15	11.07	11.10
Total	96.65	165.07	119.47

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	39.14	7.92	7.93
Shipping	33.39	30.37	30.18
Civil Aviation	3.00	3.50	3.70
Roads and Bridges	100.00	85.00	85.00
Total	175.53	126.79	126.81

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	3231.32	5924.34	6326.64
------------------------------	---------	---------	---------

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. The receipts in RE 2003-04 include collections from unified licence fee.

(vii) Science, Technology and Environment:

Atomic Energy Research	22.99	26.47	26.57
Other Scientific Services and Research	74.56	78.44	78.39
Total	97.55	104.91	104.96

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	151.35	164.50	169.70
Other General Economic Services	411.63	430.97	457.82
Tourism	0.60	0.80	0.80
Civil Supplies	0.04	0.01	0.01
Total	563.62	596.28	628.33

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	1373.14	2674.26	3437.94
(ii) Aid Material & Equipment	87.89	182.87	159.99
Total	1461.03	2857.13	3597.93

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)	546.20	578.50	617.68
--	--------	--------	--------

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.