

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: –

		<i>(in crores of Rupees)</i>		
		Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
(a)	Interest Receipts	33034.26	34144.46	36721.33
(b)	Dividends and Profits	9482.81	9310.87	11204.40
	Total	42517.07	43455.33	47925.73
Interest Receipts				
	(i) Interest on loans to-			
	(a) States	25243.99	25111.19	30461.16
	(b) Union Territories (with Legislature)	654.72	682.15	691.27
	(c) Interest payable by Railways	1914.08	1904.74	615.38
	(d) Interest payable by Telecommunications	291.11	179.51	223.00
	(e) Other Interest receipts	4930.36	6266.87	4730.52
	Total	33034.26	34144.46	36721.33

(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 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 payable by Railways

The estimates of dividend for the year 1998-99 were framed on the basis of the Second Report of RCC (1998), which was adopted by Lok Sabha on 13.3.99. In absence of subsequent

recommendations of the RCC due to dissolution of the XI Lok Sabha, the estimates for the year 1999-2000 and 2000-2001 have been framed on the basis of the arrangements adopted for 1998-99. 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 adopting 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 adopting 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 1999-2000 and Budget Estimates 2000-2001 work out as follows:-

	<i>in crores of Rupees)</i>		
	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
(i) Dividend on Capital at charge (net of subsidy payable by General Revenues)	1392.56	1399.33	1504.14
(ii) Subsidy payable by General Revenues	709.80	687.09	795.25
(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	2.37	2.81	2.81
Total	2127.85	2112.35	2325.32
Less-Loss on working of 'Strategic Lines'	213.77	207.61	209.94
Dividend payable by Railways taken as interest	1914.08	1904.74	2115.38
Less Dividend deferred	1500.00
Net dividend payable by Railways taken as interest	1914.08	1904.74	615.38

Out of the additional 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 is made available to States and partly to Railways to finance railway safety works such as manned level crossings, road over-bridges and under-bridges. The Tenth Finance Commission has made the recommendation, which has been accepted by the Government, that the quantum of the annual grant will be Rs. 380 crores, which will be distributed according to percentage share prescribed by the Commission and indicated in Annexure 3.

(c) *Interest payable by the Department of Telecom Services:-* Under the Convention governing the financial relationship between the erstwhile Department of Telecommunications and the General Revenues, the Department of Telecom Services would pay dividend to General Revenues at the following rates:-

(i) 4.5% per annum on the net capital advanced upto the end of 1963-64 reduced by the Department's share of accumulated surplus as on 31st March, 1960 (Rs.29.78 crores), and the balance in the Department's Renewals Reserve Fund* as at the end of 1963-64 (Rs.52.72 crores).

(ii) Average borrowing rate of interest as applicable to the respective years from 1980-81 and onwards on:

(a) Capital advanced from 1964-65 to 1965-70 reduced by the net accretion to the Renewals Reserve Fund* during this period and;

(b) Capital advanced after 1969-70 reduced by amount of accumulated Postal deficit upto 31-3-85 met out of Revenue Reserve Fund of the erstwhile P & T Department (Rs.938.48 crores).

In case, the Department is unable to pay dividend due to General Revenues, the latter makes interest-bearing advance to the Telecommunications Revenue Reserve Fund to cover the shortfall, as well as for meeting the deficit, if any, in the working results of the Department.

Provision for depreciation based on historical cost of assets is transferred to capital in reduction of the outlay.

The balances in the Revenue Reserve Fund and the Capital Reserve Fund earn interest at the average rate and this interest is added to the Funds.

The financial results of the working of the Department of Telecom Services are briefly as under :-

	<i>(in crores of Rupees)</i>		
	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
Gross Receipts	19788.20#	17706.35#	19814.06
Working Expenses (Net)	10656.87	11137.44	9265.84
Net receipts	9131.33	6568.91	10548.22
Less amount & dividend to			
Department of Telcommunication	7.00
**Dividend to General Revenues	291.11	179.51	223.00
<i>Net surplus</i>	8840.22	6389.40	10318.22
Appropriation to			
Revenue Reserve Fund	105.00	145.00	...
Capital Reserve Fund	8735.22	6244.40	10318.22

* *The Renewals Reserve Fund was abolished with effect from 1st April, 1970*

Combined for Department of Telecommunication and Department of Telecom Service.

** *The entire amount is adjustable as interest.*

Receipts in RE 1999-2000 and BE 2000-2001 are estimated at Rs.17706.35 crore and Rs. 19807.06 crore respectively as against Rs.19788.20 crore assumed in BE-1999-2000. Reduction in revenue in RE 1999-2000 over BR 1999-2000 is attributable to revision of Tariff with effect from 01-05-1999.

Further details of the financial results are given in Annexure-3.

(e) 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.

Dividends and Profits:

The details are as follows:-

(i) Surplus profits of Reserve Bank of India	5700.00	4479.00	6179.00
(ii) Share of profits from nationalised banks	384.17	394.85	394.85
(iii) Share of profits from LIC	200.00	240.00	240.00
(iv) GIC and its subsidiaries	64.50	64.50	64.50
(v) IDBI and other financial institutions	240.70	251.51	251.51
(vi) Dividends from Public sector enterprises and on other investments	2893.44	3881.01	4074.54
Total	9482.81	9310.87	11204.40

(i) *Surplus profits of Reserve Bank of India:* The surplus profits transferred by RBI to Government during 1999-2000 and 2000-2001 are placed at Rs. 4479.00 crore and Rs. 6179.00 crore respectively.

(ii) *Share of Profits from Nationalised Banks:* The receipts from profits of nationalised banks are estimated at Rs. 394.85 crore in the Revised Estimate 1999-2000 as against Rs.384.17 crore assumed in the Budget Estimate 1999-2000. Budget Estimate 2000-2001 assumes a total receipt of Rs. 394.85 crore on this account.

(iii) *Share of Profits from Life Insurance Corporation:* In terms of Section 28 of the Life Insurance Corporation Act, 1956, not more than 5 per cent of the Corporation's surplus determined by actuarial valuation is payable to the Government. The share of the Corporation's surplus payable to the Central Government are estimated at Rs.240 crore each in the Revised Estimate 1999-2000 and the Budget Estimates for 2000-2001.

(iv) *GIC and its subsidiaries*: The estimates relate to dividend from GIC and its four subsidiaries, namely, National Insurance Co Ltd., New India Assurance Co. Ltd, Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd.

(v) *IDBI and other financial institutions*: The details of dividends institution-wise are as follows:-

	(in crores of Rupees)		
	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
IDBI	218.70	218.51	218.51
Exim Bank	22.00	33.00	33.00
Total	240.70	251.51	251.51

(vi) *Dividends from public sector and other investments*: The estimates mainly relate to dividends payable by Government companies, etc.

OTHER NON-TAX REVENUE

Broad details of revenue are as follows :-

1. Fiscal Services	1265.36	1204.84	1381.30
2. Other General Services	4928.78	4977.29	5382.31
3. Social Services	871.61	779.76	178.82
4. Economic Services	9174.84	10902.33	11198.09
5. Grants-in-aid and Contributions	715.40	848.51	728.67
Total	16955.99	18712.73	18869.19
<i>Less—</i>			
Commercial Departments*	9368.63	9520.01	9729.74
Net-Other Non-Tax Revenue	7587.36	9192.72	9139.45

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

Fiscal Services	941.33	959.56	1163.45
Other General Services	3077.65	3088.26	3385.31
Social Services	710.50	610.50	...
Economic Services	4639.15	4861.69	5180.98
Total	9368.63	9520.01	9729.74

FISCAL SERVICES

The estimates are as follows:

Fiscal Services	1265.36	1204.84	1381.30
Less-Receipts of Commercial Departments	941.33	959.56	1163.45
Net	324.03	245.28	217.85

Commercial Departments:

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

(a) Currency, Coinage and Mint:			
Currency Note Press	389.55	358.99	514.25
Bank Note Press	237.66	250.00	280.00
Security Paper Mill	92.30	123.75	116.95
Total	719.51	732.74	911.20
(b) Other fiscal services:			
India Security Press	183.82	194.82	212.25
Security Printing Press	38.00	32.00	40.00
Total	221.82	226.82	252.25
The net receipts comprise:-			
(a) Currency, Coinage and Mint:			
(i) Profits from circulation of coins	290.00	182.00	200.00
(ii) Mints	5.00	7.80	5.20
Total	295.00	189.80	205.20
(b) Other Fiscal Services	29.03	55.48	12.65
Total Fiscal Services(Net)	324.03	245.28	217.85

(a) Currency, Coinage and Mint:- Profits from circulation of coins represents the difference between 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 crores of Rupees)</i>		
	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
Other General Services	4928.78	4977.29	5382.31
Less- Receipts of Commercial Department	3077.65	3088.26	3385.31
Net	1851.13	1889.03	1997.00
The net receipts comprise:-			
(i) Administrative services			
Public service commission	4.52	12.13	12.13
Police	590.23	657.27	657.27
Supplies and disposals	25.50	40.76	37.26
Stationery and printing	33.00	8.60	8.60
Public works	59.00	71.50	72.00
Other administrative services	523.96	521.14	552.77
(ii) Contribution and recoveries towards			
pension and other retirement benefits	99.03	130.89	132.05
(iii) Miscellaneous general services	515.89	446.74	524.92
Total	1851.13	1889.03	1997.00

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 of 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' accommodates receipts relating to unclaimed balances of postal certificates/ market loans written-off to revenue.

SOCIAL SERVICES

The estimates are as follows:

	<i>(in crores of Rupees)</i>		
	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
Social Services	871.61	779.76	178.82
Less-Receipts of Commercial Departments	710.50	610.50	...
Net	161.11	169.26	178.82
The estimates of receipts, other than the commercial Departments, comprise the following:-			
Education, Sports, Art and Culture	7.32	10.89	11.91
Medical and Public Health	46.91	48.30	48.31
Family Welfare	11.10	13.00	12.60
Housing	64.76	61.95	62.25
Information and Publicity	27.15	32.02	40.62
Labour and Employment	2.64	2.03	2.04
Social Security and Welfare	1.23	1.07	1.09
Total	161.11	169.26	178.82

The receipts relating to 'Akashvani and Doordarshan', which are treated as commercial receipts of Broadcasting are netted against expenditure and dealt with in Expenditure Budget.

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:-

Economic Services	9174.84	10902.33	11198.09
Less-Commercial Departments	4639.15	4861.69	5180.98
Net	4535.69	6040.64	6017.11

Commercial Departments

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

<i>Agriculture and allied activities:</i>			
Delhi Milk Scheme	61.00	118.00	61.00
<i>Industry and Minerals:</i>			
Opium Factories and alkaloid works	290.00	307.00	325.00
Fuel fabrication facilities	455.00	608.27	631.55
Total	806.00	1033.27	1017.55
<i>Energy:</i>			
Badarpur Thermal Power Station	550.00	807.00	700.00
Rajasthan Atomic Power Station	89.93	109.84	128.58
Fuel Inventory	493.93	532.55	728.04
Heavy Water Pool Management	377.11	375.36	531.11
Total	1510.97	1824.75	2087.73
<i>Transport:</i>			
Lighthouses and lightships	54.00	53.67	75.70
<i>Communications:</i>			
Postal Services	2268.18	1950.00	2000.00
Total-Commercial Departments	4639.15	4861.69	5180.98

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

The estimates of the net receipts comprise as follows:-

		<i>(in crores of Rupees)</i>		
		Budget	Revised	Budget
		1999-2000	1999-2000	2000-2001
(i)	Agriculture and Allied Activities	63.63	70.25	69.00
(ii)	Irrigation and Flood Control	6.10	9.60	9.00
(iii)	Energy	2139.38	3097.67	3819.29
(iv)	Industry and Minerals	67.16	98.57	79.92
(v)	Transport	89.96	93.07	93.16
(vi)	Communications	1793.63	2252.68	1527.10
(vii)	Science, Technology and Environment	38.87	70.65	73.06
(viii)	General Economic Services	336.96	348.15	346.58
	Total	4535.69	6040.64	6017.11

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

(i)	<i>Agriculture and Allied Activities:</i>			
	Crop Husbandry	33.20	32.30	32.50
	Animal Husbandry	5.48	5.72	5.92
	Dairy Development	0.15	2.40	0.12
	Fisheries	1.23	2.82	3.00
	Forestry and Wild Life	3.00	3.50	3.50
	Food Storage and warehousing	12.45	15.44	15.44
	Other Agricultural Programmes	8.12	8.07	8.52
	Total	63.63	70.25	69.00

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 product 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)	<i>Irrigation and Flood Control :</i>			
	Major and Medium Irrigation	4.80	7.10	7.50
	Minor Irrigation	1.30	2.50	1.50
	Total	6.10	9.60	9.00

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)	<i>Energy :</i>			
	Power	3.50	7.02	7.50
	Petroleum	2135.75	3090.50	3811.67
	Coal and Lignite	0.01	0.01	0.01
	Non-Conventional Sources of Energy	0.12	0.14	0.11
	Total	2139.38	3097.67	3819.29

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. towards redemption of these Bonds, which is not reckoned as non-tax revenue for financing.

(iv)	<i>Industry and Minerals :</i>			
	Village and Small Industries	12.40	15.60	16.05
	Industries	45.14	73.64	54.53
	Non-ferrous Mining and Metallurgical Industries	9.62	9.33	9.34
	Total	67.16	98.57	79.92

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 crores of Rupees)

	Budget 1999-2000	Revised 1999-2000	Budget 2000-2001
(v) <i>Transport</i>			
Ports and Light Houses
Shipping	20.99	21.36	21.36
Civil Aviation	1.47	2.71	2.80
Roads and Bridges	67.50	69.00	69.00
Total	89.96	93.07	93.16

The heads "Ports and Light-houses" and "Shipping" account for receipts of light dues, 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) <i>Communications:</i>			
'Other Communication Services'	1793.63	2252.68	1527.10

Receipts under 'Other Communication Services' mainly relate to the licence fees for Basic/Cellular Telecom services and of the Wireless Planning and Coordination Organisation.

(vii) <i>Science, Technology and Environment:</i>			
Atomic Energy Research	19.97	21.78	19.79
Other Scientific Services and Research	18.90	48.87	53.27
Total	38.87	70.65	73.06

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) <i>General Economic Services:</i>			
Foreign Trade and Export Promotion	108.31	118.35	119.20
Other General Economic Services	226.90	228.70	226.28
Tourism	1.00	0.75	0.75
Civil Supplies	0.75	0.35	0.35
Total	336.96	348.15	346.58

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	625.40	793.28	704.58
(ii) Aid Material & Equipment	90.00	55.23	24.09
Total	715.40	848.51	728.67

Further details are given in Statement 2 to Annexure 7 of this document.

NON-TAX REVENUE OF UNION TERRITORIES :

The estimates are as follows :-

Receipts of Union Territories (without legislature)	370.99	386.51	398.97
--	--------	--------	--------

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.