

**NON-TAX REVENUE
INTEREST RECEIPTS**

This section comprises receipts on account of interest on loans by the Central Government. The details by major heads are: –

(A) Interest Receipts (As per AFS)	35792.68	28440.00	21999.50
Less Other Receipts*	16657.55	9403.51	3000.00
Net Interest Receipts	19135.13	19036.49	18999.50
Interest on loans to-			
(a) States	11712.86	11849.30	11548.80
(b) Union Territories (with Legislature)	100.11	94.39	94.39
(c) Interest payable by Railways	4635.88	4710.96	5304.22
(d) Other Interest receipts	2686.28	2381.84	2052.09
Total	19135.13	19036.49	18999.50

* This represents receipts incidental to market borrowings taken towards reduction of cost of borrowings, interest waivers etc.

A. Interest Receipts

(a) Interest on loans to States

The interest receipts are estimated at Rs. 11849.30 crore in Revised Estimate - 2008-09 and Rs. 11548.80 crore in Budget Estimate 2009-10.

As per the Twelfth Finance Commission (TFC) Award (2005-06 to 2009-10) under which (i) all Central Loans contracted by States till 31.3.2004 and outstanding as on 31.3.2005 are required to be rescheduled into fresh loans for 20 years carrying 7.5% interest subject to the condition that the State Government concerned enacts Fiscal Responsibility Legislation and (ii) fresh loans are to be raised directly by the State/UT Governments except loans under Externally Aided Projects. So far, twenty six States have passed such legislation out of which debt of 25 States have been consolidated.

(b) Interest on loans to Union Territory Governments

The interest receipts are estimated at Rs. 94.39 crore in Revised Estimate 2008-2009 and at Rs. 94.39 crore in Budget Estimate 2009-2010.

(c) Interest payable by Railways

The memorandum on rate of dividend for 2009-10 is under the consideration of the Railway Convention Committee (RCC). Thus, pending recommendations of RCC, the estimates for the year 2009-10 have been framed on the basis of arrangements adopted for 2008-09. 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 per cent on

entire dividend-paying capital irrespective of the year of investment (inclusive of 1.5 per cent 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) Un-remunerative branch lines - the exemption of a particular branch line from payment of dividend on capital is based on annual review of the remunerativeness of the line, the remunerativeness being determined on the basis of the 'marginal cost' principle.
 - (2) Ferries, welfare buildings (hospitals, dispensaries, health units, clubs, institutes, schools and colleges, hostels and other welfare centres) and non-strategic portion of the North-East Frontier Railway.
 - (3) 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.
 - (4) 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'.
 - (5) 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.
 - (6) The gauge conversion work taken up on strategic consideration.
- (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 are provided to Railways in the form of subsidy from General Revenues. The losses on strategic lines till RE 2005-06 were netted from dividend payable. However, from RE 2006-07, these losses are being reimbursed through provision under the Demand of Department of Economic Affairs.
- (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 2008-2009 and Budget Estimates 2009-2010 work out as follows:-

	<i>(In crore of Rupees)</i>		
	Budget 2008-2009	Revised 2008-09	Budget 2009-10
(i) Dividend on Capital at charge (net of subsidy payable by General Revenues)	2405.07	2306.67	2654.67
(ii) Subsidy payable by General Revenues*	2207.69	2381.17	2626.43
(iii) Payment by Railways in lieu of Tax on Railway Passenger Fares	23.12	23.12	23.12
Total dividend payable by Railways taken as interest	4635.88	4710.96	5304.22

* Includes reimbursement of operating losses of strategic Railway lines to the extent of Rs. 500 crore, Rs. 646 crore and Rs. 600 crore in Budget 2008-09, Revised 2008-09 and Budget 2009-10 respectively.

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 on capital outlay on Departmental Commercial Undertakings.

DIVIDENDS AND PROFITS**B. Dividends and Profits:**

This section comprises of dividends and profits from public sector enterprises. It also includes surplus of the Reserve Bank of India that is transferred to Government.

(In crore of Rupees)

	Budget 2008-2009	Revised 2008-09	Budget 2009-10
The details are as follows:-			
(i) Dividends from Public Sector Enterprises and on other investments	24758.33	21640.69	19340.17
(ii) Dividend/Surplus of Reserve Bank of India, Nationalised Banks and Financial Institutions	18445.40	18095.25	17645.14
Total	43203.73	39735.94	36985.31

OTHER NON-TAX REVENUE**C. Other Non-Tax Revenue:**

Broad details of other non-tax revenue are as follows :-

1. Fiscal Services	121.40	138.13	148.37
2. Other General Services	17937.65	19820.20	20992.52
3. Social Services	592.99	578.38	607.90
4. Economic Services	34424.55	36659.50	54639.20
5. Grants-in-aid and Contributions	1795.33	2748.01	2136.20
Total	54871.92	59944.22	78524.19
Less—			
Receipts of Commercial Departments*	16647.23	16069.44	17800.96
Other receipts*	5593.29	7192.85	5507.65
Total	22240.52	23262.29	23308.61
Net-Other Non-Tax Revenue	32631.40	36681.93	55215.58

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

Other General Services	11986.36	13016.94	13707.65
Economic Services	10254.16	10245.35	9600.96
Total		22240.52	23262.29
			23308.61

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

1. Fiscal Services

The estimates are as follows:

Fiscal Services	121.40	138.13	148.37
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The net receipts comprise:-

(a) Currency, Coinage and Mint:			
(i) Profits from circulation of coins	67.43	67.43	67.43
(b) Other Fiscal Services	53.97	70.70	80.94
Total Fiscal Services	121.40	138.13	148.37

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

(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.

2. Other General Services

The estimates are as follows:-

Other General Services	17937.65	19820.20	20992.52
Less- Receipts of Commercial Department	6393.07	6780.00	8200.00
Other Receipts	5593.29	6236.94	5507.65
Net	5951.29	6803.26	7284.87

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.

	Budget 2008-2009	Revised 2008-09	(In crore of Rupees) Budget 2009-10
The net receipts comprise:-			
(i) Administrative services			
<i>Public Service Commission</i>	11.50	12.50	12.50
<i>Police</i>	1594.20	1750.80	1900.40
<i>Supplies and Disposals</i>	53.00	65.50	62.11
<i>Stationery and Printing</i>	16.00	19.00	19.75
<i>Public Works</i>	118.05	167.05	161.05
<i>Other Administrative Services</i>	2466.39	2365.09	2491.41
(ii) Contribution and recoveries towards pension and other retirement benefits	831.88	1374.20	1488.85
(iii) Miscellaneous General Services	860.27	1049.12	1148.80
Total	5951.29	6803.26	7284.87

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

3. Social Services

The estimates are as follows:

Social Services	592.99	578.38	607.90
The estimates of receipts, other than the commercial Departments, comprise the following:-			
Education, Sports, Art and Culture	75.27	85.12	91.13
Medical and Public Health	119.38	107.37	107.38
Family Welfare	45.20	26.70	29.70
Housing	142.79	111.07	116.51
Information and Publicity	202.15	239.34	254.34
Labour and Employment	7.65	8.22	8.22
Social Security and Welfare	0.55	0.56	0.62
Total	592.99	578.38	607.90

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.

4. Economic Services

The estimates are as follows:-

Economic Services	34424.55	36659.50	54639.20
<i>Less-Commercial Departments and other receipts</i>	10254.16	10245.35	9600.96
Net	24170.39	26414.15	45038.24

The details of the receipt estimates by Commercial Departments and other receipts are given below:—

	Budget 2008-2009	Revised 2008-09	(In crore of Rupees) Budget 2009-10
<i>Agriculture and allied activities:</i>			
Delhi Milk Scheme	311.54	289.01	377.22
Other receipts in the sector	...	117.12	...
Total	311.54	406.13	377.22
<i>Industry and Minerals:</i>			
Opium and Alkaloid Factories	300.52	311.14	300.97
Fuel Fabrication Facilities	922.75	734.85	1041.00
Other receipts in the sector	...	838.79	...
Total	1223.27	1884.78	1341.97
<i>Energy:</i>			
Badarpur Thermal Power Station	320.76	320.76	304.73
Fuel Inventory	1556.10	948.82	1301.30
Heavy Water Pool Management	568.18	583.64	...
Total	2445.04	1853.22	1606.03
<i>Transport:</i>			
Lighthouses and Lightships	115.00	135.00	140.00
<i>Communications:</i>			
Postal Services	6159.31	5966.22	6135.74
Total-Commercial Departments	10254.16	10245.35	9600.96

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 the following :

(i) Agriculture and Allied Activities	176.75	173.60	172.08
(ii) Irrigation and Flood Control	12.80	12.70	12.70
(iii) Energy	6798.66	9492.30	8017.64
(iv) Industry and Minerals	203.17	181.28	183.26
(v) Transport	183.27	205.17	209.80
(vi) Communications	13953.44	13174.29	33335.33
(vii) Science, Technology and Environment	307.25	1145.58	1009.11
(viii) General Economic Services	2535.05	2029.23	2098.32
Total	24170.39	26414.15	45038.24

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

(i) Agriculture and Allied Activities:			
Crop Husbandry	134.71	134.80	132.70
Animal Husbandry	11.45	11.80	12.30
Fisheries	2.75	2.50	2.50
Forestry and Wild Life	7.00	7.00	7.00
Food Storage and Warehousing	8.84	5.50	5.58
Other Agricultural Programmes	12.00	12.00	12.00
Total	176.75	173.60	172.08

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	12.00	12.00	12.00
Minor Irrigation	0.80	0.70	0.70
Total	12.80	12.70	12.70

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.

	Budget 2008-2009	Revised 2008-09	(In crore of Rupees) Budget 2009-10
(iii) Energy :			
Power	17.90	60.86	681.63
Petroleum	6777.04	9423.23	7333.76
Coal and Lignite	3.50	8.03	2.03
Non-Conventional Sources of Energy	0.22	0.18	0.22
Total	6798.66	9492.30	8017.64

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 offshore crude oil and gas production, Profit Petroleum and licence fee for the right to exclusive exploration of oil and gas in a particular region.

(a) **Royalty** : (i) Central Government is entitled to Royalty on Oil and Gas produced from the Offshore fields, whereas in case of Onshore fields, it is payable to concerned State Governments. The power of regulation and the responsibility for the development of oil fields are exclusively within the domain of the Central Government. Oil Fields (Regulation and Development) Act, 1948 and the Petroleum and Natural Gas Rules, 1959 deal with it. (ii) Royalty regimes for Oil and Gas production from nominated fields of National Oil Companies vary from that for the production from fields awarded under Production Sharing Contracts (PSCs). (iii) Royalty payable by National Oil Companies on crude oil and natural gas, being ad-valorem, depends on the prices at which crude oil and natural gas are sold by them. Pricing of natural gas is under Administered Pricing Mechanism (APM), which has been revised upwards during 2005-06 affecting the receipts from Royalty. Similarly, the international crude oil prices, which are volatile affect royalty receipts from oil. (iv) The Royalty on production from fields awarded under PSCs is governed by the provisions of the respective PSCs and the receipts in this regard depend upon the actual production from the various fields.

(b) **Profit Petroleum** : Profit Petroleum is the value of petroleum produced from a particular field after deducting the admissible cost of production, as per the contract. The Contractor and the Government share the Profit Petroleum from the contract area in accordance with the provision of the respective agreements/contracts. No profit petroleum is payable on production by National Oil Companies from the nominated fields. Profit Petroleum realization also varies with the prevalent price of crude oil and gas, Directorate General of Hydrocarbons (DGH) monitors the implementation of these PSCs. Profit Petroleum is payable on a quarterly basis with final adjustment being made at the end of the financial year.

(c) **Petroleum Exploration License (PEL) Fee**: (i) PEL fee is a payment by a licensee in consideration of the Government granting a right to carry out exclusive exploration of Oil and Gas in a particular area. License fee is generally linked to area and period of license and is payable by licensees in accordance with Petroleum and Natural Gas Rules, 1959 as amended from time to time. (ii) PEL fee in the case of onshore fields goes to the concerned State Government and in case of offshore fields is paid to the Central Government.

(iv) Industry and Minerals :			
Village and Small Industries	30.20	25.37	26.72
Industries	149.76	134.71	135.34
Non-ferrous Mining and Metallurgical Industries	23.21	21.20	21.20
Total	203.17	181.28	183.26

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	3.00	3.00	3.00
Shipping	54.40	53.30	56.30
Civil Aviation	27.50	35.50	37.50
Roads and Bridges	98.37	113.37	113.00
Total	183.27	205.17	209.80

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	13953.44	13174.29	33335.33

Receipts under 'Other Communication Services' mainly relate to the licence fees from telecom operators and receipts on account of spectrum usage charges.

Department of Telecom collects recurring licence fees from various telecom operators licensed by it. It also collects one time Entry Fees from new operators. The main service categories include Cellular Mobile Service, Basic Service, Unified Access Service, V-SAT Services, International and National Long Distance Services, Infrastructure Providers, Internet service providers with Internet telephony, Public Mobile Radio Trunk Services (PMRTS).

Barring a few services, the licence fee is collected based on percentage share of the operators' Adjusted Gross Revenue (AGR) and includes a component of Universal Access Levy. The AGR in turn is influenced by factors like tariff, customer base, competition, etc. The collection from licence fee depends on the rate of licence fee, tariff and growth of the telecom service sector in the country.

Department of Telecommunications Collects spectrum charges akin to royalty for the use of spectrum as well as licence fee for possession of Wireless equipment from service providers having telecom service licences. These charges are levied from CMTS, Basic, UASL and Commercial V-SAT service providers as a percentage of their Adjusted Gross Revenues depending upon the quantum of spectrum assigned for their networks. The BE 2009-10 includes a sum of Rs. 20,000.00 crore as expected revenue from auction of 3G spectrum.

	Budget 2008-2009	Revised 2008-09	(In crore of Rupees) Budget 2009-10
(vii) Science, Technology and Environment:			
Atomic Energy Research	35.02	36.05	36.60
Other Scientific Services and Research	272.23	1109.53	972.51
Total	307.25	1145.58	1009.11

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	255.00	261.80	262.50
Other General Economic Services	2278.78	1764.92	1833.31
Tourism	1.25	2.50	2.50
Civil Supplies	0.02	0.01	0.01
Total	2535.05	2029.23	2098.32

The receipts under the head "Foreign Trade and Export Promotion" include 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.

5. Grants-in-Aid Contributions

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

(i) External Grant Assistance	1755.31	2745.52	2134.20
(ii) Aid Material & Equipment	40.02	2.49	2.00
Total	1795.33	2748.01	2136.20

Further details are given in Statement 2 to Annex 2.

NON-TAX REVENUE OF UNION TERRITORIES

D. Non-Tax Revenue of Union Territories:

The estimates are as follows :-

Receipts of Union Territories (without legislature)	814.85	749.17	754.13

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.

Arrears of Non Tax Revenues.

In compliance of Rule 6 of FRBM Rules, 2004 a disclosure Statement on Arrears of Non-Tax Revenues is placed at Annex 11.