

## Annexure 2

Special points in regard to assessment of revenue and expenditure of States.

State	Notes
1. Assam	<p>The loss in Agricultural income-tax on account of the proposed implementation of Tea Finance Committee's Report through Union Finance Act, 1965, was estimated by the State Government as Rs. 3 crores. This has been taken into account in the assessment.</p> <p>No receipts have been assumed under carriage tax on Tea, the re-imposition of which was under consideration.</p> <p>The liability for the statutory grant to the Dibrugarh University under Section 33 (2) of the Dibrugarh University Act, 1965 has been taken into account.</p>
2. Bihar	<p>No credit has been taken for any payment by the Damodar Valley Corporation out of its profits during the Fourth Plan period.</p> <p>Net receipts from Kosi Project have been worked out after allowing for working expenses and interest liabilities on completion of schemes taken up during the Third Plan period.</p> <p>No provision has been allowed for the reorganisation of districts which is still under contemplation.</p>
3. Jammu and Kashmir	<p>The assessment includes the complete liability in respect of losses on food grains including element of subsidy.</p>
Kerala	<p>The anticipated loss in revenue consequent on the implementation of the recommendations of the Tea Finance Committee has been taken into account.</p> <p>The additional expenditure devolving on the State Government as a result of the implementation of the recommendations of the Municipal Grants Committee has been taken into account.</p> <p>The estimated expenditure of Rs. 46.14 crores for the period of five years on account of the revision in the scales of pay and rates of Dearness Allowance of Government employees and school teachers carried out by the State Government in June 1965 in pursuance of the recommendations in the First Report of the State Pay Commission has been taken into account.</p>
Madhya Pradesh	<p>The State Government anticipates that the Government of India would make an ex-gratia payment of Rs. 45 lakhs in 1965-66, in lieu of the royalty on coal extracted by the National Coal Development Corporation (Budget Speech of the State Finance Minister) This payment has not been included on the receipt side in assessing the revenue gap.</p>

State	Notes
6. Madras	<p>No grant from the Centre has been assumed for meeting expenditure of Rs. 12.5 crores over the five-year period on mid-day meal scheme. This was covered by a non-plan grant during the Third Plan period.</p> <p>The estimated liability of Rs. 17.00 crores for the five year period arising from revision in Dearness-Allowance rates of Government Employees, School Teachers and employees of Local Bodies announce in June 1965 has been taken into account.</p>
7. Mysore	<p>The State Government requested the Commission to take into account in its assessment the loss in receipt on account of the non-payment of electricity duty by the Kolar Gold Field which had become a Government of India Undertaking. The Commission agreed to the request.</p> <p>Expenditure of Rs. 8.0 crores on account of continuing schemes relating to West Coast Roads, Ore Roads and Roads of economic importance has not been taken into account.</p> <p>Government of Mysore issued orders revising Dearness Allowance etc. with effect from 1st April, 1965. An estimated expenditure of Rs. 36.28 crores for the Fourth Plan period was taken into account while working out the non-plan revenue gap of the State.</p>
8. Rajasthan	<p>It is assumed that Rajasthan Canal Project will be transferred from the State Government to a separate authority.</p>
9. Uttar Pradesh	<p>The Commission has included in its assessment the liability of Rs. 23.89 crores for the five-year period on account of the interim relief granted by the State Government to its employees in pursuance of the recommendations submitted on 10-2-1965 by the U. P. Pay Rationalisation Committee and on account of the interim relief granted to school teachers in the budget for 1965-66.</p>
10. West Bengal	<p>The loss in revenue on account of the implementation of the Tea Finance Committee's recommendations has been taken into account.</p> <p>An annual credit of Rs. 2.15 crores (Rs 10.75 crores for the five-year period) has been taken into account on the basis of the State's own forecast, as receipts from Entry Tax on tea.</p> <p>The additional annual liability of Rs. 250 lakhs estimated by the State Government on account of the opening of the revenue account for D.V.C. (under Section 37 of the D.V.C. Act) has not been taken into account.</p>