(Rs. crores)

Sl. No.	ITEM	Estimates furnished by Ministry of Finance	Re-assessed estimates	Variation (3 - 2)
0	1	2	3	4
IV.	Disbursements on Capital Account			
	1. Non-Plan capital expenditure	3,818	3,588	(-) 230
	2. Small Savings loans to States	7,611	9,849	(+) 2,238
	3. Other loans to States and others	10,199	10,199	-
	Total-Disbursements on Capital Account(IV)	21,628	23,636	(+) 2,008
	Surplus on Capital Account	45,460	57,196	(+) 11,736
	Total Surplus - (Revenue and Capital Account)	65,912	96,319	(+) 30,407

Annexure V-1
(Para 5.11)

EXTRACT OF PARA 109 OF THE SUMMARY RECORD OF THE DISCUSSIONS OF THE MEETING OF THE CHIEF MINISTERS HELD ON THE 20TH MAY, 1979 TO DISCUSS CERTAIN ISSUES RAISED BY THE SEVENTH FINANCE COMMISSION.

109. Coming to the question of corporation tax, Prof. Lakdawala said he would not favour the tax to be shared for two major reasons. First, as the Maharashtra Finance Minister pointed out, the Constitutional amendment was a thing to be resorted to as a last step. Before doing that we must find out whether we do not have any other means of achieving the same objective. He felt that the Finance Commission still had enough way of making whatever quantum of transfer of resources it wanted to transfer to the States. No doubt the corporation tax is more buoyant than income tax but it is not buoyant as compared to the excises, which are shared. It was but natural that when resources are transferred from the Centre to States, some will be less buoyant than others. Another difficulty which would arise if the corporation tax was to be shared, was the question of how should the inter se distribution among the States be. Corporation tax in its nature was allied to income tax which was distributed 90 per cent on the basis of population and 10 per cent on the basis of contribution. If the same principles were adopted for distributing corporation tax, it would mean loss to the less advanced States and more to the more advanced States.

Source: D.O. letter No. F.3(1)/FCC/82 dated 20th October, 1983 from Shri A. Rangachari, Joint Secretary (Budget), Ministry of Finance to Secretary, Finance Commission.