

## NOTES RELATING TO STATEMENT I

### FORMER RAJASTHAN

#### (1) Corporation Tax

Only one of the Covenantee States (Bundi) of the former Rajasthan Union levies taxes on income. The rates are the same as in British India. The Budget estimates for 1948-49 provide for a receipt of Rs. 0.65 lakhs on account of "super-tax"; out of this amount the "Corporation Tax" element has been estimated at Rs. 0.58 lakhs.

#### (2) Opium

The revenue of the State from the cultivation, manufacture and sale of opium is in respect of

(i) internal consumption in the Union	400 maunds.
(ii) export to other States (mostly in Rajasthan)	1000 maunds at Rs. 100 per seer.
(iii) sale to Government of India	1000 maunds at a profit (royalty) of Rs. 3 per seer.

The loss to Rajasthan upon financial integration on (i), (ii) and (iii) above has been computed at Rs. 3 a seer (*vide* paragraph 12 (2) of Chapter II) included in Statement I; in the final computation, the annual expenditure incurred by the State on the supervision of cultivation and on the manufacture of opium (which will be saved to the State after financial integration) must be deducted from this figure.

#### (3) Income-tax

The Budget Estimates for 1948-49 provide for a revenue of Rs. 3.50 lakhs but this includes Corporation Tax estimated at Rs. 0.58 lakhs *Vide* (1) above. A figure of Rs. 2.92 lakhs has, therefore, been shown against "Income-tax".

#### (4) Central Excise

The Union levies duties on matches, tobacco and sugar but has joined the Central Excise pool for matches and tobacco only.

(i) *Matches*:—According to the Revised Estimates for 1948-49 the net Revenue of the Central Government from duty on matches will amount to Rs. 5.60 crores. The share of Rajasthan on a population basis may be estimated at Rs. 10.00 lakhs.

(ii) *Tobacco*.—The receipts according to the Budget Estimates for 1948-49 are Rs. 3.80 lakhs. It has been assumed that the entire revenue will be retained by the State.

(iii) *Sugar*.—The Union gets a “royalty” of Rs. 1-8-0 per cwt. of sugar produced and the receipts are estimated to be Rs. 2·00 lakhs for 1948-49.

The total revenue from Central Excise thus amounts to :

Matches	.	.	.	Rs. 10·00 lakhs
Tobacco	.	.	.	Rs. 3·80 lakhs
Sugar	.	.	.	Rs. 2·00 lakhs
				Rs. 15·80 lakhs
				Rs. 15·80 lakhs

#### (5) Railways

The Budget Estimates for 1948-49 provide for *net* receipts to the extent of Rs. 17·25 lakhs. This amount does not include Rs. 1·08 lakhs on account of the share of Kotah State in the earnings of the Chabra-Baran section worked by the G.I.P. Railway; adding this, we get a figure of Rs. 18·33 lakhs to be entered in the Statement.

#### (6) Posts and Telegraphs

The value of Service Postage stamps received free from the Government of India annually is Rs. 0·17 lakhs. This figure has been shown in Statement I.

Details of State Post Offices and their working are not available, but the figure to be shown in Statement I on this account will probably be negligible.

#### (7) Telephones

There are a few local telephone systems in some of the Covenanted States but the Budget for 1948-49 shows only some expenditure and no receipts. When full information becomes available, the amount of the *net* receipts will have to be entered in the Statement.

#### (8) Currency and Mint

No local mints are working since the formation of Rajasthan. There is, therefore, no profit or loss to be taken into account.

#### (9) Interest on “federal” Investments.

This must be computed on the lines indicated in paragraph 12 (14) of Chapter II.

#### (10) Import-export Duties on Indian (Internal) Trade

The Budget Estimates provide for a receipt of Rs. 111·31 lakhs. A deduction of 10% has been made for the probable drop in collection as a result of the abolition of inter-statal barriers within Greater Rajasthan, and a round figure of Rs. 100·00 lakhs has been entered in the statement.

**JAIPUR****(1) Central Excise**

(a) *Matches*.—There are no match factories in the State, but the State receives a share of Match Excise duty from the Central Excise Pool. Jaipur's share for 1948-49 on a population basis is estimated at Rs. 7·00 lakhs.

(b) *Tobacco*.—The State expects to realise and retain Rs. 3·50 lakhs for the whole year.

(The Central Excise Act of the Government of India has been adapted for application in Jaipur *in toto*. The State has joined the Government of India pool).

**(2) Railways**

The estimated net receipts for 1948-49 are Rs. 25·77 lakhs. The actuals are expected to be somewhat higher but for illustrative purposes the budget figures may be adhered to.

The State's share of interest and profits of the Nagda-Mathura Railway are credited to the head "Interest" and not to "Railways". The budget for 1948-49 includes an amount of Rs. 17 lakhs on this account and this figure must be treated as Railway revenue.

**(3) Posts and Telegraphs**

The net receipts in 1948-49 are estimated at Rs. 0·39 lakhs. But this figure does not take into account dearness allowance estimated at Rs. 0·61 lakhs; there will thus be a *minus* receipt of Rs. 0·22 lakhs. No free supply of Service Postage Stamps is received by Jaipur Government from the Government of India.

**(4) Telephones**

The net receipts in 1948-49 are estimated at Rs. 1·04 lakhs but this does not take into account the expenditure on dearness allowance which is estimated at Rs. 0·09 lakhs. The *net* receipts will thus be Rs. 0·95 lakhs.

**(5) Mint**

The Budget Estimates for 1948-49 show a *net* revenue of only Rs. 0·04 lakhs, but after allowing for dearness allowance, the net income is *nil*.

The minting of silver coins, including the Jharshahi rupee has been discontinued, except for ceremonial and other Government purposes in very small quantities. The minting of gold mohurs is, however, being continued but they are not legal tender coins and are mainly

intended for use by the public for ornamental purposes. There is, therefore, no profit on "currency and mint" to be taken into account for the purposes of this Statement.

The income under 'Mint' as booked in the accounts includes a portion on account of Royalty charges on weights and measures, but this has also to be ignored as it is not a "federal" item of revenue.

#### (6) Interest on "federal" investments

This must be computed on the lines indicated in para. 12 (14) of Chapter II.

#### (7) Import-export Duties on Indian (Internal) Trade

The Budget Estimates for 1948-49 provide for a total receipt of Rs. 75.44 lakhs. After allowing a reduction of 10% for loss of Revenue by abolition of *inter-statal* customs barriers within Greater Rajasthan, a round figure of Rs. 68.00 lakhs has been entered in the Statement.

### JODHPUR

#### (1) Customs Duties on Foreign Trade

With effect from 16th July 1948, the Jodhpur Government have taken up the work of collection of customs duties on goods coming from and going to Pakistan (Sind), on behalf of the Government of India at Indian tariff rates. All the receipts after deduction of the cost of collection are paid to the Government of India. In addition to this, the State is levying customs duties at its own rates on trade with Pakistan and is retaining the whole of the collections. The exact amount retained is not known but is included under Section B—import-export duties on Indian (Internal) trade.

#### (2) Corporation Tax and Income-tax

The Marwar Income-tax Act which came into force from the 1st October 1948 was subsequently repealed in view of the impending merger of the State with Rajasthan. There is therefore no amount to be taken into account.

#### (3) Central Excise

(i) *Match Excise*.—Jodhpur has joined the Central Excise pool in respect of Match Excise. Based on the revised estimates of the Government of India for 1948-49, the share of Match Excise Duty of Jodhpur on a population basis has been estimated at Rs. 7.00 lakhs.

(ii) *Tobacco Excise*.—The State has joined the tobacco pool. The actual collections during the first 6 months of 1948-49 were Rs. 0.25 lakhs. A figure of Rs. 0.50 lakhs has therefore been taken as the annual revenue.

**(4) Railways**

The revised estimates of *net* receipts during 1948-49 are Rs. 15·00 lakhs while the net receipts during 1946-47 and 1947-48 were Rs. 72·61 lakhs and Rs. 42·97 lakhs respectively. The substantial decrease in 1948-49 has been attributed mainly to

- (i) abnormal expenditure on replacements and renewals during the year and
- (ii) gratuities and special contribution to Provident fund to retrenched staff on account of separation of the Sind Section.

As however it has been recommended that in respect of railway revenue the average of the three completed years immediately preceding federal financial integration should be taken into account no special allowance need be made for the abnormal items of expenditure in 1948-49.

An estimated lump sum figure of Rs. 50·00 lakhs has been taken against this item for illustrative purposes.

**(5) Posts and Telegraphs**

Annexure IV to the Expert Committee's Report on the Financial Provisions of the Union Constitution shows the value of Service Postage Stamps received free by Jodphur as Rs. 0·39 lakhs. This figure together with a figure of Rs. 0·20 lakhs on account of radio licence fees booked under "Police" has been entered in Statement I.

**(6) Telephones**

Receipts under this item have been booked in the State accounts under 'Electrical Department'. The *net* receipts according to the Revised Estimates for 1948-49 are Rs. 0·56 lakhs and this figure has been shown in Statement I.

**(7) Currency and Mint**

The State does not receive any revenue from coinage, although it is minting gold mohurs which are not legal tender but are used on ceremonial occasions. For local circulation, there are one pice copper coins. There is a very small loss on mint which may be ignored.

**(8) Interest on "federal" investments**

This must be computed on the lines indicated in paragraph 12 (14) of Chapter II.

**(9) Import Export Duties on Indian (Internal) Trade**

The revised Budget Estimates for 1948-49 provide for a total receipt of Rs. 70·00 lakhs. This has been reduced by 10% for loss by abolition of *inter-statal* barriers in Greater Rajasthan and a figure of Rs. 63·00 lakhs has been taken as the Revenue that will be 'lost' after federal financial integration.

*Notes relating to Statement I—contd.***BIKANER****(1) Customs duties on Foreign Trade**

The amount realised in respect of these duties at the Pakistan border is collected on behalf of and credited to the Government of India. The State does not receive any share of the collections.

**(2) Income-tax**

The Bikaner State Income-tax Act (I of 1941) was passed in 1941 but was repealed in 1943. Under Notification No. 4 dated the 20th March 1943 publishing Rules for the Licensing of Minor Factories, however, Income-tax is being levied at 12½% on the *net* profits of every Company, pending the coming into force of an Income-tax Act in the State.

The figure of Rs. 0·17 lakhs shown in the Statement represents the amount actually realised in 1948-49.

**(3) Central Excise**

The State has joined the Central Excise Pool for matches and its share of receipts on a population basis is estimated at Rs. 3·00 lakhs. As regards sugar, the State levies duty at Government of India rates. The receipts during 1948-49 amounted to Rs. 0·56 lakhs.

Production of Tobacco is very small and no duty is levied.

**(4) Railways**

The net receipts (59·06 lakhs) are exclusive of the share paid to the Nabha State in respect of their share of the profits.

**(5) Posts and Telegraphs**

The State receives Rs. 0·37 lakhs worth of stamps free from the Government of India. (In addition the State receives a small postal subsidy for the maintenance of Dak runners on behalf of the Indian Posts and Telegraphs Department. As this is a payment for actual services rendered, it need not be included as a loss of Revenue on financial integration).

**(6) Interest on "federal" investments**

This must be computed on the lines indicated in paragraph 12 (14) of Chapter II.

**(7) Import-export Duties on Indian (Internal) Trade**

The preliminary actuals for 1948-49 amounted to Rs. 38·96 lakhs.

Allowing for a reduction of 10% by the abolition of *inter-sta'cl* barriers within Greater Rajasthan, a round figure of Rs. 35·00 lakhs has been adopted as the revenue which will be lost on federal financial integration.

*Notes relating to Statement I—contd.***JAISALMER STATE****(1) Customs Duties on Foreign Trade**

The customs duties realised at the Pakistan border are collected on behalf of and credited to the Government of India. It is not known if any additional duties are collected and retained by Jaisalmer.

**(2) Central Excise**

A lump sum figure of Rs. 0·10 lakhs has been adopted ; no details are available except for matches (Rs. 8,000).

**(3) Import-export Duties on Indian (Internal) Trade**

There is a receipt of Rs. 3·00 lakhs under Customs. The entire revenue will be lost after federal financial integration, and has accordingly been included in Section B, after a deduction of 10% to allow for the loss on account of abolition of inter-statal barriers within Greater Rajasthan.

**(4) General**

It is not known from the particulars so far made available whether there are any other "federal" sources of Revenue. If any come to notice, the corresponding amounts must be included in this Statement.

**MATSYA UNION****(1) Income-tax**

Only one of the Covenanted States used to levy Income-tax. This has since been discontinued. A revenue of Rs. 0·69 lakhs collected in 1948-49 on incomes relating to the period prior to the 31st December, 1947, has been ignored.

**(2) Central Excise**

All the Covenanted States in Matsya Union have joined the Central Excise pool for matches and tobacco.

There are no match factories in the Union but the Union receives a share annually from the Match Excise pool, which is estimated at Rs. 4·4 lakhs for 1948-49 on a population basis.

The collections of tobacco duty in the Union are estimated at Rs. 2·51 lakhs in 1948-49 and the whole amount is expected to be retained by it.

A figure of Rs. 6·91 lakhs has, therefore, been shown against 'Central Excise'.

**(3) Railways**

The contribution to the general revenues of the Union from Dholpur State Railway earnings has been fixed at Rs. 1·00 lakhs per annum. This figure has been shown in Statement I.

**(4) Posts and Telegraphs**

The value of Service Postage Stamps (0·42 lakhs) received free by the Union from the Government of India has been shown against this item. The amount of Radio licence fees (0·05 lakhs) has also been taken into account.

**(5) Telephones**

Each of the four Covenantee States has an internal telephone system. The estimated net loss of Rs. 0·32 lakhs has been entered in the Statement.

**(6) Interest on "federal" investments**

This must be computed on the lines indicated in paragraph 12 (14) of Chapter II.

**(7) Import-export Duties on Indian (Internal) Trade**

The Budget Estimates for 1948-49 provide for a revenue of Rs. 52·99 lakhs under this item. Making some allowance for the increase in tariff rates on oil seeds from the 1st October, 1948, and allowing for a drop in customs revenue to the extent of 10% on account of the abolition of the *inter-statal* customs barriers within Greater Rajasthan, a figure of Rs. 48·00 lakhs has been shown in Statement I.