

[Translation]

### Company Tax

\*257. SHRI NITISH KUMAR :  
PROF. PREM SINGH CHANDUMAJRA :

Will the Minister of FINANCE be pleased to state :

(a) the comparative rate of tax being levied on companies in India and in other developing countries of the world;

(b) whether inspite of the higher rate of company tax, surcharge is also levied in India on the companies; and

(c) if so, the details of such tax structure and the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) As against the proposed new tax rate of 4% in the case of domestic companies (including surcharge at the rate of 7.5%), as per the information available, the corporate tax rates in some of the developing countries are as under :

NAME OF THE COUNTRY	TAX RATE FOR DOMESTIC COMPANIES(%)
1. Guyana	45
2. Barbados	40
3. Malawi	45
4. Kenya	35
5. Myanmar	30
6. Jamaica	33 1/2
7. Malaysia	30
8. Malta	35
9. Mauritius	35
10. Nigeria	35
11. Sri Lanka	35

(b) and (c) Surcharge was initially imposed at the rate of 5% of income-tax to meet the after-effects of the drought of 1987-88 and was thereafter increased from time to time to 15% to mobilise resources. However, Finance (No.2) Bill, 1996, proposes to reduce the surcharge to 7.5% of the income-tax in the case of domestic companies having income exceeding Rs. 75,000/-. Foreign companies will continue to remain outside the purview of surcharge.

### Coal Industry

\*258. DR. MAHADEEPAK SINGH SHAKYA : Will the Minister of COAL be pleased to state :

(a) whether the Government have recently formulated a scheme for the development of the coal industry as a result of which the Coal India Limited is likely to earn a profit of worth Rs. fifteen crores in 1996-97;

(b) if so, the details thereof; and

(c) the sources identified for earning the profit?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Government have recently introduced a scheme for strengthening the financial base of Coal India Limited (CIL) and to increase its capacity to produce coal efficiently. As a result of all these decisions CIL is likely to earn a reasonable profit in the year 1996-97.

(b) The details of the scheme are as under :

(i) Moratorium on the interest-free non-plan loan of Rs. 432.64 crores as on 31.3.1992 for three years i.e. upto 1998-99 and repayment of the amount in three equal annual instalments thereafter with usual interest.

(ii) Conversion of outstanding plan loan of Rs. 904.18 crores as on 31.3.1992 into non-cumulative 10% preference shares redeemable in the year 2003-04.

(iii) Waiver of overdue interest (non-plan loans) of Rs. 891.75 crores and penal interest accruing since 1.4.1995.

(iv) Allowing Western Coalfields Limited, a CIL subsidiary, to charge grade prices of coal notified for Singareni Collieries Company Limited.

(v) Deregulation of prices and distribution of coking coal and A, B and C Grades of non-coking coal.

(c) The cumulative effect of the above measures will be to strengthen the financial base of CIL and as a consequence, its profit will increase by way of improvement in underground capacity utilisation, increase in output per man-shift, improvement in utilisation of the new capacity which will be created and finally, by enhancement in the prices of coking coal and A, B & C grades of non-coking coal.

[English]

### Duty Free Import Quota System

\*259. SHRI ANANTH KUMAR : Will the Minister of TEXTILES be pleased to state :

(a) whether the introduction of duty free import quota system under the generalised system of preferences by the European Union for Jute goods is likely to benefit the Indian Jute Industry

(b) if so, the details thereof; and

(c) if not, the steps taken by the Government to protect interests of Indian Jute Industry?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) Yes, Sir.

(b) and (c) The zero duty access of Indian Jute goods under the Generalised System of Preferences (GSP) will help maintain competitiveness of exports of Indian Jute goods to the European Union, and thus also be beneficial to the Indian Jute industry. As a result of India having officially taken up the matter with the