

[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

European Commission, the latter agreed to restore zero duty access to Indian jute goods retrospectively from 1.7.1995. This has considerably improved access of Indian Jute goods into the European Union market.

[Translation]

Export of Cotton

*260. SHRI DEVI BUX SINGH :
DR. G.L. KANAUIA :

Will the Minister of TEXTILES be pleased to state :

- (a) the quantum of cotton exported during 1995-96;
- (b) whether the Government propose to make changes in the cotton export policy and withdraw restrictions from the export of cotton;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the target set for export of cotton during 1996-97; and
- (e) the steps taken to achieve the target?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):
(a) Including spillover shipments, about 5.57 lakh bales of cotton is reported to have been exported till 18.7.1996 during the 1995-96 season.

(b) and (c) Export of cotton is regulated and is subject to quantitative restrictions announced by the Ministry of Textiles. Government releases export quota for raw cotton from time to time after assessing production, demand, supply, prices etc. with a view to ensuring that, while on the one hand cotton growers received remunerative prices, on the other the consuming sector, particularly decentralised handloom and powerloom weavers are also able to procure their supplies at fair prices. Removal of quantitative restrictions on the export of cotton from the country is not being contemplated at present.

(d) and (e). The quantity of cotton allowed for export is announced in any cotton year after taking into account all relevant factors and after reliable estimates are available of the crop size, cotton availability, likely demand, etc. The 1996-97 cotton season will commence only from 1st September, 1996, and no quota for export has been announced for 1996-97 so far.

Construction of Court Buildings

1886. SHRI RAM NAIK : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether the Union Government provides 50 percent Central assistance for construction of court buildings, residential accommodation etc.;
- (b) whether the government have not provided its share to various states during last three years;
- (c) if so, the details thereof, State-wise; and
- (d) the reasons for delay and time bound programme to pay the arrears in full?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) :

(a) The centrally sponsored scheme for the development of infrastructural facilities for the judiciary introduced from 1993-94 is aimed at supplementing the efforts of the State Governments and is confined to construction of Court Buildings and residences for the Judges. While the Central allocation is dependent on the budget allocation provided for the scheme by the Planning Commission, the States are required to come forward with a matching provision to take advantage of this scheme.

(b) No, Sir, full Central Share has been provided to the eligible States.

(c) A Statement is enclosed.

STATEMENT

Sl.	Name of the State	1993-94	1994-95	1995-96	Total
1	2	3	4	5	6
1.	Andhra Pradesh	221.20	439.98	369.40	1030.58
2.	Arunachal Pradesh	20.00	14.00	34.00	68.00
3.	Assam	79.80	156.89	153.52	390.21
4.	Bihar	174.90	147.00	334.79	656.69
5.	Goa	20.00	34.00	34.00	88.00
6.	Gujarat	100.80	197.45	193.28	491.53
7.	Haryana	47.90	94.14	92.21	234.25