

THE NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY, New Delhi, is an autonomous, non-profit organisation whose main functions are to carry out research, do consultancy work for governments and impart training to the officials of various governments in public finance and related fields of policy. In addition to undertaking original research work the Institute strives to fulfil the role of a vehicle for transferring the results of applied research to policy making in the country in the realm of public finance.

The Institute also acts as a forum in which officials belonging to the Central and State governments, representatives of the private sector, leading financial institutions and academicians can exchange ideas and information. With this end in view, seminars and conferences are organised by the Institute from time to time. However, its main activities relate to research conducted on its own initiative and that sponsored by the member governments. Among the recent reports completed by the staff of the Institute, which have been published are :

Incidence of Indirect Taxation in India 1973-74
(1978) NIPFP

Trends and Issues in Indian Federal Finance
(1981) Allied Publishers

Sales Tax System in Bihar
(1981) Somaiya Publications

Incidence of Indirect Taxation in India
(Hindi Version) (1981) NIPFP

Measurement of Tax Effort of State Governments
1973-74
(1982) Somaiya

Impact of the Personal Income Tax
(1982) NIPFP

Resource Mobilisation in the Private Corporate Sector
(1982) NIPFP

Fiscal Incentives and Corporate Tax Saving
(1983) NIPFP

*TWO VALUABLE BOOKS FROM NIPFP
Of special interest to company executives, economists, entrepreneurs,
public & private sector policy-makers*

FISCAL INCENTIVES AND CORPORATE TAX SAVING

VINAY D. LALL

This study is the first in a series the NIPFP has undertaken to assess the economic impact of the corporate profits tax. It evaluates the effect of fiscal incentives granted to companies under the income tax law. Estimates are presented on diminution in the tax base due to fiscal incentives, the effective tax liability and tax savings generated by the incentives. Among the other relevant issues on which empirical evidence is presented are the operational problems in claiming the reliefs, frequency of claim of the reliefs and impact on rate of return on corporate investment in terms of discounted present values.

Three sources of data are utilised, namely, ex-ante data on projects financed by a leading financial institution, ex-post data from assessed income tax returns and ex-post published company finances data. The analysis is made for individual incentives as well as for all incentives taken together. The results are presented at both aggregated and disaggregated levels for different categories of corporate assesseees.

The empirical analysis is preceded by a study of economic aspects of fiscal incentives and analysis of the major provisions of the income tax law relating to fiscal incentives in India.

1983

116 PP

Rs. 40

RESOURCE MOBILISATION IN THE PRIVATE CORPORATE SECTOR

Vinay D. Lall, Srinivasa Madhur & K.K. Atri

The Private Corporate Sector plays a key role in the industrial development of the country and the need for mobilisation of adequate resources by this sector becomes crucial. Trends in resource mobilisation in the private corporate sector, how fast it has grown in relation to the needs for investment, what have been the major avenues for mobilising resources and how these resources have been utilised, are the significant issues dealt with in this book.

The study presents a detailed assessment of the resource mobilisation effort in the large-scale segment of the Indian private corporate sector, engaged in manufacturing activities. The study covers the period 1962-63 to 1975-76, but the analysis of the major trends has been extended upto 1979-80. The analysis of the trends and structural composition of mobilised resources is made both for the corporate sector as a whole and for different categories of companies. An econometric exercise on the determinant of gross resources mobilised and the empirical evaluation of the impact of government policies is made only at the aggregate level. Some policy implications are drawn on the basis of the empirical evidence, keeping in perspective the qualitative assessments by the leaders of industry, financial institutions and the government on the problems of resource mobilisation in the private sector.

1982

188 PP

Rs. 50.00

National Institute of Public Finance and Policy

**18/2 Satsang Vihar Marg, Special Institutional Area
New Delhi-110067**