

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1313
ANSWERED ON TUESDAY, AUGUST 1, 2023**

TAX BREAKS TO CORPORATES

QUESTION

1313 Shri Sandeep Kumar Pathak :

Will the Minister of Corporate Affairs be pleased to state:

- (a) the different types of tax breaks given to corporates and the amount of potential revenue lost due to these tax incentives in the last five years; and
- (b) the number of shell companies identified and the actions taken against them for money laundering and the total illicit funds recovered from those shell companies?

ANSWER

The Minister of State (Independent Charge) of the Ministry of Statistics and Program Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(RAO INDERJIT SINGH)

- (a) A year-wise summary of the revenue impact of tax incentives in case of corporate taxpayers as laid before Parliament as part of Receipt Budget of the Government for the last 5 years as provided by the Central Board of Direct Taxes is placed below :-

Assessment Year	Revenue impact of major tax incentives for corporate taxpayers (in Rs. Crore)
2017-18	86,144.82
2018-19	93,642.50
2019-20	1,08,113.04
2020-21	94,109.83
2021-22	75,218.02

The detailed breakup of the nature of tax incentives for the last five years is attached as Annexure-I.

- (b) The term “Shell Company” is not defined under the Companies Act, 2013. In this regard, no separate data is maintained by the Directorate of Enforcement. However, several cases have been taken up for investigation under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) by this Directorate. In these cases, as on date, proceeds of crime (PoC) amounting to Rs.42,040 crores (approx.) have been identified & attached under PMLA. Further, 90 Prosecution Complaints (PCs) have been filed before the Special Court, PMLA. Also, 05 accused have been declared as Fugitive Economic Offenders in these cases.

**ANNEXURE REFERRED TO IN PART-A OF RAJYA SABHA UNSTARRED QUESTION NO. 1313
ANSWERED ON AUGUST 01, 2023**

Breakup of Revenue impact of major tax incentives for corporate taxpayers

(in Rs. Crore)

S I. No.	Nature of Incentive	Assessment Year				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	Deduction of export profits of units located in SEZs (section 10A and 10AA)	19,695.99	20,917.63	23,261.26	21,562.47	21,157.51
2	Accelerated Depreciation (section 32)	66,350.44	58,326.25	54,414.40	35,418.38	18,949.45
3	Deduction/weighted deduction for expenditure on scientific research ((section 35 (1), (2AA) & (2AB))	11,263.91 299.13	6,832.02	8,094.08	6,354.63 2,305.60	2,126.90
4	Deduction in respect of specified business (section 35AD)	1,725.82	1,780.70	4,333.03	2305.6	1,017.00
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,434.32	1,860.11	2,473.46	4,193.83 1,159.91	1,274.99
6	Deduction on account of contributions to political parties (section 80GGB)	103.07	133.36	801.58	1159.91	256
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	6,944.90	6,841.97	5,722.23	4,967.76 401.18	3,299.91
8	Deduction of profits of undertakings engaged in development of SEZs and Industrial Parks (section 80-IA)	290.22	364.59	533.65	401.18	273.48
9	Deduction of profits of undertakings engaged in providing telecommunication	275.04	43.38	1.43	2.12	0.02

	services (section 80-IA)					
10	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	11,688.31	13,156.97	15,513.02	15,607.96	16,782.82
11	Deduction of profits of undertaking engaged in revival of power plant (section 80-IA)	151.73	166.70	87.76	80.85	259.11
12	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	1676.62	1,198.14	1,098.62	924.87	985.88
13	Deduction of profits of industrial undertakings located in Jammu & Kashmir (section 80-IB)	0.26	77.68	69.19	18.33	11.08
14	Deduction of profits of industrial undertakings located in industrially backward States other than Jammu & Kashmir (section 80-IB)	143.50	34.69	2.2	6.53	
	Deduction of profits of eligible start-ups (section 80-IAC)	4.95				
	Deduction of profits of industrial undertakings located in backward districts (section 80-IB)	0.87				
15	Deduction of profits of industrial undertakings derived from production of mineral oil and natural gas (section 80-IB)	1,876.22	1,098.04	1,535.60	696.19	0.26
16	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	65.27	55.21	34.8	11.08	16.87
17	Deduction of profits of industrial undertakings derived from operating a cold chain facility (section 80-IB)	16.45	8.47	12.31	2.97	
18	Deduction of profits of industrial	31.37	62.69	7.18	17.33	53.53

	undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)					
19	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	278.81	238.50	292.23	183.10	130.74
20	Deduction of profits of industrial undertakings derived from hospital in rural area (section 80-IB)	1.69	2.12	0.6	2.43	2.23
21	Deduction of profits and gains from housing projects (section 80-IBA)	26.93	55.77	187.96	209.49	389.83
22	Deduction of profits of undertakings set-up in North Eastern States (section 80-IC)	804.72	1,191.59	1,463.50	1,328.65	1,618.35
23	Deduction of profits of undertakings set-up in Sikkim (section 80-IC)	2,094.08	2,320.94	2,473.52	3,248.36	3,722.91
24	Deduction of profits of undertakings set-up in Uttarakhand (section 80-IC)	1,886.52	1,798.33	1,378.12	372.86	533.19
25	Deduction of profits of undertakings set-up in Himachal Pradesh (section 80-IC)	645.36	473.90	376.69	91.966.91	76.31
26	Deduction of profits from business of collecting and processing of biodegradable waste (section 80JJA)	43.25	18.03	12.15	6.91	14.53
27	Deduction in respect of employment of new workmen (section 80JJAA) X	294.71	738.50	1,330.78	1,921.84	2,118.20
28	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Centre [IFSC](section 80LA)	69.04	273.40	380.43	304.95	79.97
	Deduction in respect of hotels,	0.90				

	convention centres in specified areas (80-ID)					
	Total	1,30,184.41	1,20,069.67	1,25,891.78	1,01,402.54	75,151.07
	Less Additional Tax Liability on account of MAT	51,186.09	41,792.21	36,185.96	25,810.85	18,830.96
	Reduced By MAT credit claimed	7,146.49	15,365.04	18,407.22	18,518.14	18,897.91
	Net Additional Tax due to MAT	44,039.60	26,427.17	17,778.74	7,292.71	66.95
	Total Revenue Foregone	86,144.82	93,642.50	1,08,113.04	94,109.83	75,218.02