

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**RAJYA SABHA UNSTARRED QUESTION NO. 3445**

ANSWERED ON 01/04/2025

**TAX CONCESSIONS TO CORPORATE COMPANIES**

**3445. Shri Sandeep Kumar Pathak:**

Will the Minister of FINANCE be pleased to state:-

- (a) the number of corporate companies that were given tax concessions by government in the last three years, the total amount of tax concession, the main reasons for giving these concessions and the year-wise details thereof; and
- (b) the names of those 50 companies to whom maximum tax concessions were given and the amount of concession given, the year-wise list thereof and the reasons for giving concessions to these specific companies?"

**ANSWER**

**MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)**

**(a) & (b)**

- 1) Tax concessions are a component of government's direct tax policy. Income-tax Act, inter alia, provides for tax concessions to eligible corporates in the form various deductions and exemptions from the taxable income to promote exports; balanced regional development; creation of infrastructure facilities; employment; rural development; and scientific research and development.
- 2) The various sections of Income-tax Act, 1961 under which tax concessions in the form of deductions and exemptions are provided generally to corporate companies are mentioned in Annexure A.
- 3) Disclosure of information in respect of specific assesseees can only be provided as per the provisions of section 138 of the Income-tax Act, 1961 in cases where it is necessary for the purpose of enabling the concerned officer, Authority or body to perform its function under the respective law in public interest.
- 4) The number of companies who have filed returns of income in different financial years is as under:

<b>Financial Year</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24 (upto 28.02.2025)*</b>
Number of Companies which have filed returns of income for the respective financial year	1,025,717	1,075,866	1,120,417

Source: Receipt Budget for respective years

\* Source: Directorate of Systems, Income Tax Department

The revenue impact of tax concessions given in respect of corporate companies from F.Y. 2021-22 to 2023-24 is mentioned in Annexure B.

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1) **Special provisions in respect of newly established Units in Special Economic Zones.**

**Section 10AA** provides that in computing the total income of an assessee, being an entrepreneur as referred to in clause (j) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005), from his Unit, who begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1st day of April, 2006, but before the first day of April, 2021, the following deduction shall be allowed subject to the provisions of this section —

- (i) hundred per cent of profits and gains derived from the export, of such articles or things or from services for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which the Unit begins to manufacture or produce such articles or things or provide services, as the case may be, and fifty per cent of such profits and gains for further five assessment years and thereafter;
- (ii) for the next five consecutive assessment years, so much of the amount not exceeding fifty per cent of the profit as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account (to be called the "Special Economic Zone Re-investment Reserve Account") to be created and utilized for the purposes of the business of the assessee in the manner laid down in sub-section (2):

*Provided that no such deduction shall be allowed to an assessee who does not furnish a return of income on or before the due date specified under sub-section (1) of section 139.*

2) **Deduction in respect of donations to certain funds, charitable institutions, etc.**

**Section 80G** provides that in computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section,—

- (i) in a case where the aggregate of the sums specified in sub-section (2) includes any sum or sums of the nature specified in sub-clause (i) or in sub-clause (iiia) or in sub-clause (iiiaa) or in sub-clause (iiiab) or in sub-clause (iiib) or in sub-clause (iiie) or in sub-clause (iiif) or in sub-clause (iiig) or in sub-clause (iiiga) or sub-clause (iiih) or sub-clause (iiha) or sub-clause (iihb) or sub-clause (iihc) or sub-clause (iihd) or sub-clause (iihe) or sub-clause (iihf) or sub-clause (iihg) or sub-clause (iihh) or sub-clause (iihi) or sub-clause (iihj) or sub-clause (iihk) or sub-clause (iihl) or sub-clause (iihm) or in sub-clause (vii) of clause (a) or in clause (c) or in clause (d) thereof, an amount equal to the whole of the sum or, as the case may be, sums of such nature *plus* fifty per cent of the balance of such aggregate; and
- (ii) in any other case, an amount equal to fifty per cent of the aggregate of the sums specified in sub-section (2).

3) **Deduction in respect of contributions given by companies to political parties.**

**Section 80GGB.** provides that in computing the total income of an assessee, being an Indian company, there shall be deducted any sum contributed by it, in the previous year to any political party or an electoral trust:

*Provided that no deduction shall be allowed under this section in respect of any sum contributed by way of cash*

4) **Deduction in respect of contributions given by any person to political parties.**

**Section 80GGC** provides that in computing the total income of an assessee, being any person, except local authority and every artificial juridical person wholly or partly funded by the Government, there shall be deducted any amount of contribution made by him, in the previous year, to a political party or an electoral trust :

*Provided that no deduction shall be allowed under this section in respect of any sum contributed by way of cash.*

5) **Deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc.**

**Section 80-IA** provides that where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any eligible business referred to in sub-section (4) of section 80-IA, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years.

6) **Deductions in respect of profits and gains by an undertaking or enterprise engaged in development of Special Economic Zone.**

**Section 80-IAB.** provides that where the gross total income of an assessee, being a Developer, includes any profits and gains derived by an undertaking or an enterprise from any business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zones Act, 2005, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for ten consecutive assessment years:

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government :

(3) The provisions of sub-section (5) and sub-sections (7) to (12) of section 80-IA shall apply to the Special Economic Zones for the purpose of allowing deductions under sub-section (1).

7) **Special provision in respect of specified business.**

**Section 80-IAC.** provides that where the gross total income of an assessee, being an eligible start up, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for three consecutive assessment years.

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any three consecutive assessment years out of ten years beginning from the year in which the eligible start-up is incorporated.

(3) This section applies to a start-up which fulfils the following conditions, namely:—

(i) it is not formed by splitting up, or the reconstruction, of a business already in existence:

(ii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

(4) The provisions of sub-section (5) and sub-sections (7) to (11) of section 80-IA shall apply to the start-ups for the purpose of allowing deductions under sub-section (1).

8) **Deduction in respect of profits and gains from certain industrial undertakings other than infrastructure development undertakings.**

**Section 80-IB** provides that where the gross total income of an assessee includes any profits and gains derived from any eligible business referred to in sub-sections (3) to (11), (11A) and (11B), there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such profits and gains of an amount equal to such percentage and for such number of assessment years as specified in this section.

9) **Deductions in respect of profits and gains from housing projects.**

**Section 80-IBA.** Provides that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to the provisions of this section, be allowed, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business.

(1A) Where the gross total income of an assessee includes any profits and gains derived from the business of developing and building rental housing project, there shall be allowed a deduction of an amount equal to hundred per cent of the profits and gains derived from such business.

10) **Special provisions in respect of certain undertakings in North-Eastern States.**

**Section 80-IE** provides that where the gross total income of an assessee includes any profits and gains derived by an undertaking, to which this section applies, from any business referred to in sub-section (2), there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years commencing with the initial assessment year.

11) **Deduction in respect of profits and gains from business of collecting and processing of bio-degradable waste.**

**Section 80JJA.** Provides that where the gross total income of an assessee includes any profits and gains derived from the business of collecting and processing or treating of bio-degradable waste for generating power or producing bio-fertilizers, bio-pesticides or other biological agents or for producing bio-gas or making pellets or briquettes for fuel or organic manure, there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to the whole of such profits and gains for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which such business commences.

12) **Deduction in respect of employment of new employees.**

**Section 80JJAA.** Provides that where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

13) **Deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.**

**Section 80LA.** Provides that where the gross total income of an assessee, being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to—

(a) one hundred per cent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law was obtained, and thereafter;

(b) fifty per cent of such income for five consecutive assessment years:

*Provided* that for the assessment year commencing on or after the 1st day of April, 2023, the deduction under this clause shall be one hundred per cent of such income.

(1A) Where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to one hundred per cent of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or permission or registration under the International Financial Services Centres Authority Act, 2019 (50 of 2019) was obtained.

#### 14) Deduction in respect of certain income of Producer Companies.

**Section 80PA.** provides that Where the gross total income of an assessee, being a Producer Company having a total turnover of less than one hundred crore rupees in any previous year, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains attributable to such business for the previous year relevant to an assessment year commencing on or after the 1st day of April, 2019, but before the 1st day of April, 2025.

#### 15) Accelerated Depreciation

**Section 32** provides that in the case of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after the 31st day of March, 2005, by an assessee engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power, a further sum equal to twenty per cent of the actual cost of such machinery or plant shall be allowed as deduction under clause (ii)

*Provided* that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, the provisions of clause (iia) shall have effect, as if for the words "twenty per cent", the words "thirty-five per cent" had been substituted.

#### 16) Deduction for expenditure on scientific research

**Section 35** provides for deduction for expenditure on scientific research incurred by assessee. Further, where the assessee pays any sum to a National Laboratory or a University or an Indian Institute of Technology or a specified person with a specific direction that the said sum shall be used for scientific research undertaken under a programme approved in this behalf by the prescribed authority, then—

- (a) there shall be allowed a deduction of a sum equal to one and one-half times the sum so paid ; and
- (b) no deduction in respect of such sum shall be allowed under any other provision of this Act.

Furthermore, where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to one and one-half times of the expenditure so incurred.

#### 17) Deduction in respect of expenditure on specified business.

**Section 35AD** provides that an assessee shall, if he opts, be allowed a deduction in respect of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him.

*Provided* that the expenditure incurred, wholly and exclusively, for the purposes of any specified business, shall be allowed as deduction during the previous year in which he commences operations of his specified business, if—

- (a) the expenditure is incurred prior to the commencement of its operations; and
- (b) the amount is capitalised in the books of account of the assessee on the date of commencement of its operations.

Sl. No.	Nature of Incentive	Revenue Impact (in Rs.Crore) [FY 2021-22]	Revenue Impact (in Rs.Crore) [FY 2022-23]	Projected Revenue Impact (in Rs.Crore) [FY 2023-24]
1	Deduction of export profits of units located in SEZs (section 10AA)	24,677.18	23,736.27	26,670.08
2	Accelerated Depreciation (section 32)	21,477.69	18,742.69	21,059.29
3	Deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	2,557.02	3,229.36	3,628.51
4	Deduction in respect of specified business (section 35AD)	1,517.96	596.18	669.87
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,132.90	1,172.93	1,317.90
6	Deduction on account of contributions to political parties (section 80GGB)	1,775.46	514.4	577.98
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	8,213.25	4,896.46	5,501.66
8	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	15,286.40	15,968.93	17,942.69
9	Deduction of profits of undertaking engaged in revival of power plant (section 80-IA)	102.22	37.68	42.33
10	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	695.25	422.65	474.89
11	Deduction of profits of industrial undertakings located in Jammu & Kashmir (80-IB)	265.93	-	-
12	Special provision in respect of specified business (section 80-IAC)	-	276.26	310.41
13	Deduction of profits of industrial undertakings derived from production of mineral oil and natural gas (section 80-IB)	123.12	252.4	283.6
14	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	12.99	10.9	12.25
15	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	5.61	10.31	11.59

16	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	125.78	91.62	102.94
17	Deduction of profits and gains from housing projects (section 80-IBA)	410.68	786.11	883.27
18	Deduction of profits of undertakings set-up in North Eastern States(section 80-IE)	1,977.92	1,944.11	2,184.40
19	Deduction of profits of undertakings set-up in Sikkim (section 80-IE)	3,866.06	3,942.48	4,429.77
20	Deduction of profits from business of collecting and processing of biodegradable waste (section 80JJA)	8.62	13.19	14.82
21	Deduction in respect of employment of new workmen (section 80JJAA)	2,632.94	3,448.27	3,874.48
22	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	1.04	0.01	0.01
23	Deductions in respect of certain incomes of International Financial Services Centre 80LA(1A)	178.16	527.45	592.64
24	Deduction in respect of contributions given by companies to political parties(80GGC)	12.37	21.07	23.67
25	Deduction in respect of certain income of Producer Companies(80PA)	18.46	33.51	37.65
	<b>Total</b>	<b>87,075.01</b>	<b>80,675.24</b>	<b>90,646.70</b>

Source: Receipt Budget for respective years