

**Government of India  
Ministry of Finance  
Department of Revenue**

**LOK SABHA  
UNSTARRED QUESTION NO. 4919  
TO BE ANSWERED ON FRIDAY, DECEMBER 16 2016  
AGRAHAYANA 25, 1938 (SAKA)**

**TAX EXEMPTION**

**4919: SHRI HARISHCHANDRA CHAVAN:  
SHRI LAXMAN GILUWA:  
SHRI RAJESHBHAI CHUDASAMA:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government extends subsidies, tax holidays concessions to various sectors including industry and agriculture;
- (b) if so, the details thereof and the amount of such exemptions during the last three years and the current year;
- (c) whether the tax concession/holidays are subject to certain conditions, if so, the details thereof;
- (d) the number of instances of violations of these conditions by the beneficiaries during the last three years and the current year; and
- (e) the action taken against the offenders in this regard?

**ANSWER  
MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SANTOSH KUMAR GANGWAR)**

(a) to (c) :

**Direct Tax**

As agriculture income is exempt from Income-tax u/s 10(1) of Income-tax Act, 1961 (Áct'), there is no rationale of providing any tax benefit on the same under the Act. Tax exemption/deductions under the Act to industries and businesses has been stipulated under various provision of the Act, i.e 10A, 10B, 10AA, 80IA, 80IB etc. The conditions subject to which these tax benefits are available are also provided in the respective provisions.

No sector wise details are maintained. However, section wise details of revenue foregone is presented before parliament along with Budget every year in the form of document titled, "Statement of Revenue Impact of Tax Incentives under the Central Tax System". The figures of Revenue Impact for last three years are as under:-

Financial year	Revenue impact of incentives (Rs. in Cr.)
2013-14	93,047
2014-15	1,18,593
2015-16 (Projected)	1,28,639

2016-17	cannot be estimated
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### Indirect Tax

At present, new units and units undertaking substantial expansion in specified States are eligible for excise duty exemption under the concerned Industrial Policies. The Revenue Impact of area based central excise duty exemptions applicable in the North Eastern States, Uttarakhand, Himachal Pradesh, Jammu & Kashmir during the last three financial years as under:-

Financial year	Revenue impact of incentives (Rs. in Cr.)
2013-14	18,543
2014-15	19,978
2015-16	19,120
2016-17	cannot be estimated

The details of such excise duty exemption are at **Annexure**.

(d) & (e ):

Data relating to such violations is not maintained centrally. However, whenever any violation of prescribed eligibility condition(s) comes to the notice of the Government, necessary action is taken in accordance with the provisions of the Act.

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**Annexure as referred to in reply to part (a) to (c) of Unstarred Question No. 4919 to be answered in Lok Sabha on 16.12.2016.**

S. No.	Area	Notification number and date	Cutoff date for setting up/substantial expansion of unit and start of commercial production	Period of exemption
(1)	(2)	(3)	(4)	(5)
1.	North East Region	32/99-Central Excise dated 08.07.1999,	31.3.2007	10 years from the date of commencement of commercial production
		33/99- Central Excise dated 08.07.1999		
2.	State of Sikkim	56/2003- Central Excise dated 25.06.2003	31.3.2007	10 years from the date of commencement of commercial production
		71/2003-CE dated 09.09.2003		
3.	North East Region including Sikkim	20/2007- Central Excise dated 25.04.2007	31.3.2017	10 years from the date of commencement of commercial production
4.	State of Jammu & Kashmir	56/2002- Central Excise dated 14.11.2002	31.03.2016	10 years from the date of commencement of commercial production
		57/2002- Central Excise dated 14.11.2002	31.03.2016	
		01/2010 Central Excise dated 06.02.2010	No sunset clause	
5.	States of Uttarakhand & Himachal Pradesh	49/2003- Central Excise dated 10.06.2003	31.3.2010	10 years from the date of commencement of commercial production
		50/2003- Central Excise dated 10.06.2003		

The conditions for availing the said central excise duty exemptions are prescribed in the notifications mentioned in column (3) above.