

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5067
ANSWERED ON:10.12.2010
SHARE OF REVENUE TO THE GDP
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Will the Minister of FINANCE be pleased to state:

- (a) the details of tax related and other exemptions extended to corporate houses and public sector companies separately during each of the last three years;
- (b) the percentage of such exemptions to the tax collected from them during the same period;
- (c) the share of such revenue on the Gross Domestic Product (GDP) growth during the same period;
- (d) whether the structure of Indian economy has undergone changes during the same period; and
- (e) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c): So far as direct taxes are concerned, the data regarding tax related and other exemptions are not available separately for corporate houses (private companies) and public sector companies. However the relevant data as per Receipts Budgets for the concerned years for the entire corporate tax-payers pertaining to direct taxes is as under:

(Rs. In crore)

s. No.	Items	2007-08	2008-09	2009-10
1	Revenue foregone due to tax incentives given to corporate tax payers	62199	66901 (Estimated)	79554
2	Tax collection from corporate tax payers	192911	213395	255076 (BE)
3	Revenue foregone as a percentage of tax collection for corporate tax payers (in %)	32.24	31.35	31.18
4.	Corporate tax revenue as a proportion of GDP (in %)	3.9	4.3(BE)	4.2(BE)

So far as indirect taxes are concerned, exemptions from Central Excise/ Customs duties or Service Tax are generally given to goods or services of a particular description and not to corporate entities by name. However, there are some exemption notifications, which have been issued with respect to the commodities specifically used/imported/manufactured by public sector companies. Therefore separate data is not centrally maintained.

(d) & (e): The category-wise details of collection of direct and indirect taxes as compared with the Gross Domestic Product (GDP) during the last three years and a statement pertaining to Indian industries indicating percentage share in GDP at factor cost is enclosed as Annexure.