

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2884  
ANSWERED ON:24.07.2009  
TAX HOLIDAY BENEFITS  
Chakravarty Smt. Bijoya

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of business houses in North Eastern States that have benefited from tax holiday for setting up industries in that region during the last three years;
- (b) whether the benefit accruing from tax holiday is supposed to be reinvested for development of industries in North Eastern Region; and
- (c) if so, the details thereof?

**Answer**

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

(a): No data base is maintained in the CBDT manner in which the information has been sought. However, some of the top cases claiming deduction u/s 80IB/IC of the Income Tax Act are as in Annexure-A.

So far as Central Excise is concerned, the details of business houses in North Eastern States that have benefited from tax holiday for setting up industries in that region during the last three years are at Annexure-B.

(b): There is no requirement under sections 80IB/IC of the Income-tax Act for compulsory reinvestment of the benefits accruing from the tax holiday.

Even under the Central Excise Rules, there is no requirement in general for the units to reinvest the amount of the benefit accrued towards development of industries in the North Eastern region. However, in terms of erstwhile notification No.8/2004-CE dated 21.01.04, there was a provision that the Gutka/Zarda units availing exemption were required to invest the amount of exemption in the infrastructure and social projects within a period of two years from the date of deposit in escrow account in the North-Eastern region. The said notification has been withdrawn from 1.03.07.

(c): The details of the amount of tax exemption availed and deposited in escrow account for the purpose of investment in the year 2006-07 are at Annexure-C.