

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1979  
ANSWERED ON:08.03.2013  
INCENTIVES TO CORPORATES  
Chanabasappa Shri Udasi Shivkumar

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

- (a) whether the Government is giving incentives and tax exemptions to the corporates in the country;
- (b) if so, the details thereof;
- (b) the tax forgone from this sector during the last three years; and
- (c) the total amount of tax exemptions given by the Government to corporates during the same period?

**Answer**

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

(a) & (b): Indirect taxes, 'by nature' are imposed on goods and services and are not imposed on individuals or corporate. Exemptions from customs duty and central excise duty are granted to goods in general. Likewise, exemption from service tax is granted to services in general. So far as direct taxes are concerned, the Income Tax Act, 1961 provides for direct tax incentives to corporate sector. The deductions or incentives have been provided mainly in the form of profit-linked deductions, investment-linked deductions, additional depreciation and weighted deduction.

(c) & (d): The tax foregone as a result of exemptions given to the corporate sector is maintained in the form of a Revenue Forgone statement in the Receipts Budget which is a part of the Annual Budget documents. The total estimates of revenue forgone on account of direct tax incentives and exemptions, availed by corporate sector, during the last three years are as under:

(figures in Rs. crore)  
Financial Year    Corporate sector#

2009-10	72881
2010-11	83328
2011-12	81214

#The figures are exclusive of net additional tax liability on account of MAT.