

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 243
ANSWERED ON- 4/02/2025

REVENUE LOSS DUE TO TAX INCENTIVE

243 DR. ASHOK KUMAR MITTAL:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the different types of tax breaks given to corporates and the amount of potential revenue loss due to these tax incentives since January 2020;
- (b) the mechanisms in place to monitor the utilization of tax breaks by corporates to ensure that they are used effectively for growth and development;
- (c) the steps being taken to extend tax incentives to emerging sectors like green energy, electric vehicles, and artificial intelligence to attract investments; and
- (d) whether the tax breaks contributed to job creation, particularly in labour-intensive sectors such as manufacturing and services, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The details of income exemption/deduction claimed by companies in ITR-6 from Assessment Year 2020-21 (upto 31-May-2021) to Assessment Year 2024-25 (upto 31-Dec-2024) is enclosed at Annexure-A.

(c): In case of renewable energy projects the following dispensation has been created under GST

- Under entry at serial no. 201A of schedule II of notification No. 01-2017 - CTR dated 28.06.2017 renewable energy devices and their parts attract GST rate of 12%. However when they are supplied by a supplier along with supplies of other goods and services one of which is a taxable service specified at Sl. No. 38 of notification No. 11/2017 –CTR dated 28.06.2017 (service rate notification), the value of supply of goods for the purposes of this entry shall be deemed as 70% of the gross consideration charged for all such supplies and the remaining 30% of the gross consideration charged shall be deemed as the value of the said taxable service.

- Sr. No. 38 of notification No. 11/2017 –CTR dated 28.06.2017 specifies rate of 18% on service by way of construction or engineering or installation or other technical services, provided in relation of setting up of renewable energy projects.
 - Thus the effective rate of tax on renewable energy projects works out to be 13.80% considering a ratio of 70:30. 70% being value of goods (GST @ 12%) and 30% (GST @ 18%) being value of services;
- In case of electric vehicles, GST is applicable at the rate of 5% on sale of new electric vehicles.

(d): Taxation rates & exemptions are part of the overall fiscal policy of the Government which aims at holistic growth of the economy including job creation

ANNEXURE- A

Summary on ITR-6 submitted by Companies for AY 2020-21 to AY 2024-25 (upto 31-Dec-2024)				Schedule EI : Total Exempt Income (Rs.)	Schedule HP : Total amount of 30% of Annual Value (24A) (Rs.)	Schedule HP : Total amount of interest on borrowed capital (24B) (Rs.)	Schedule Chapter-VIA : Total amount of deductions claimed u/s 80 in Chapter-VIA (Rs.)	Part-B TI : Total amount of deduction u/s 10AA (Rs.)	Schedule CG : Deductions u/s 54 (Rs.)									
S#	AY	FORM_ID	TOTAL_ITRS	SUM_TOTAL_INCOME_EI	HP_30P_ANNUAL_VALUE_SEC24A	HP_INTR_ON_B RWD_CAP_SEC 24B	TOTAL_CHAPTER_VIA_CAL	DEDUCT_SEC_10A_OR_10AA	SEC_115F_AMT	SEC_54_AMT	SEC_54B_AMT	SEC_54D_AMT	SEC_54EC_AMT	SEC_54EE_AMT	SEC_54F_AMT	SEC_54G_AMT	SEC_54GA_AMT	SEC_54GB_AMT
1	2020	ITR-6	917,507	3,591,257,375,548	95,254,397,677	51,966,879,007	1,017,900,476,259	600,256,906,198	0	0	0	168,895,147	649,206,181	0	0	401,120,779	2,415,133	0
2	2021	ITR-6	969,219	2,165,323,888,640	83,048,456,179	47,114,565,762	1,378,261,971,032	613,691,472,831	0	0	0	234,479,360	740,398,046	0	0	420,852,162	35,581,488	0
3	2022	ITR-6	1,029,241	4,042,820,025,687	90,949,667,433	46,306,602,642	1,842,859,175,926	711,454,373,457	0	0	0	199,832,020	1,087,813,352	0	0	693,099,965	0	0
4	2023	ITR-6	1,077,316	4,183,143,475,963	106,962,943,817	49,607,023,268	2,045,771,472,218	684,239,686,742	0	0	0	226,185,939	921,818,690	0	0	651,064,618	0	0
5	2024	ITR-6	1,114,345	5,350,773,186,276	119,937,433,419	58,608,450,913	2,032,793,790,423	684,320,116,335	0	0	0	281,069,248	899,583,985	0	0	2,662,462,441	318,945,858	0