ANNEX-7

Statement of Revenue Impact of Tax Incentives under the Central Tax System: Financial Years 2020-21 and 2021-22

Tax law and its administration are primarily aimed at generating revenue to fund the various Government expenditures. The main variables that determine the amount of revenue generated are the collective tax base and the effective tax rates. An elaborate set of measures including special tax rates, exemptions, deductions, rebates, deferrals and credits determine these two variables. These measures are collectively called as 'tax incentives' or 'tax preferences'. They create an impact on Government earnings and also reflect the significant policy of the Government.

The tax incentives provided by the Government have a significant impact on its revenue. It may also be perceived as an indirect subsidy to the preferred taxpayers and is referred to as 'tax expenditures'. In a democratic setup, the tax policy is ought to be not only efficient but also sufficiently transparent. It requires an elaborate analysis and explicit presentation of tax incentives and the entailed program planning intended to address the specific policy goals of the Government. Further, transparent budgeting requires an analysis of revenue impact being created under the respective programme heads. These tax incentives having impact on the Government earnings are inherent part of the spending plans stated in the tax policy.

The present statement is a detailed analysis of the revenue implications created by various tax incentives provided by the Government through taxation system. Such revenue implications of tax incentives were laid before the Parliament for the first time during Budget 2006-07 as Annex-12 of the Receipts Budget in the form of statement of Revenue Forgone. It was welcomed across all quarters and started the process of a constructive debate on whole range of issues concerning fiscal policy. It also lent credence to the Government's intention of bringing about transparency in the matter of tax policy and tax expenditures. The second edition of this statement was placed before Parliament during Budget 2007-08 by way of Annexure-12 of the Receipts Budget and also by way of a separate budget document titled "Statement of Revenue Forgone". Thereafter, it was placed every year before Parliament during Budget from 2008-09 to 2014-15. In the Budget 2015-16, it has been termed more appropriately as the "Statement of Revenue Impact of Tax Incentives under the Central Tax System", as it actually involves an analysis of revenue impact. In Budget 2015-16 and 2016-17, it was made part of Receipt Budget as Annexure-15, while in Budget 2017-18, it was Annexure-13. In the Budgets 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, it was part of Receipt Budget as Annexure-7.

As earlier, this Statement seeks to list the revenue impact of tax incentives or tax subsidies that are a part of the tax system of the Central Government. The revenue impact of such tax incentives has been estimated in respect of most of the "tax preferences". The estimates are for financial year 2020-21, the most recent year for which data is available. It is based on the returns filed for the Assessment year 2021-22. An attempt has also been made to project the revenue impact for the financial year 2021-22 on the basis of the tax expenditure figures of the financial year 2020-21.

The estimates of the tax expenditures have been made on the basis of the following assumptions:-

(a) The estimates and projections are intended to indicate the potential revenue gain in case of removal of exemptions, deductions, weighted deductions and similar measures. The estimates are based on a short-term impact analysis. They are developed assuming that the underlying tax base would not be affected by removal of such measures. As the behavior of economic agents, overall economic activity or other Government policies could change along with the elimination of the specific tax preference, the revenue implications could be different to that extent.

(b) The impact of each tax incentive is determined separately, assuming that all other tax provisions remain unchanged. Many of the tax concessions do, however, interact with each other. Therefore, the interactive impact of tax incentives could turn out to be different from the tax expenditure calculated by adding up the estimates and projections for each provision.

Though the revenue impact has been quantified in terms of tax expenditure, it does not imply that this quantum of revenue has been waived by the Government. Rather, these could be seen as expenditure for the development of certain target sectors. In some cases, the socio-economic activities meant to be incentivized by such indirect subsidy may have either not been undertaken at all or have been undergoing at much lower scale in the absence of these incentives. The assumptions and methodology adopted to estimate the tax expenditure on account of different tax incentives are indicated at the relevant places in this Statement.

Direct Taxes

The direct tax policy through Income-tax Act, *inter alia*, provides for tax incentives to promote exports; balanced regional development; creation of infrastructure facilities; employment; rural development; scientific research and development; cooperative sector, encourage savings by individuals and donations for charity. Accelerated depreciation is also provided as an incentive for capital investment. Most of these tax benefits can be availed of by both corporate and non-corporate taxpayers. This statement attempts to estimate the revenue impact of the tax incentives separately in respect of all the categories of taxpayers viz., Corporate Sector; Non-Corporate Sector (Firms, Association of Persons, Body of Individuals etc.); and Individuals/ HUF. The heads under which the revenue impact has been estimated are broadly similar for the corporates and non-corporates. However, in the case of individuals, certain other heads have also been included as these are specific to them only. The statement for the corporate sector also analyses the spread of effective tax rates for companies in different profit slabs. A sectoral analysis of effective tax rates for different industries has also been attempted. Besides, details of entities engaged in charitable activities have also been provided separately under the head "Charitable Entities".

Revenue impact of various tax incentives for FY 2021-22 is projected by taking the average GDP growth for four years [FYs 2017-18, 2018-19, 2019-20 and 2021-22].[1]

A. Corporate Sector

Large businesses are mainly organized as companies. The Income-tax Department has received 961,279 corporate returns electronically up to 31st March, 2022 for the financial year 2020-21 [i.e. assessment year 2021-22]. Every company is required to file its return of income electronically. These companies reported corporate tax liability of Rs. 476115.57 crore [inclusive of surcharge and education cess] for their income of financial year 2020-21.The companies have paid additional tax of Rs.6390.82 on their 'distributed income' on buy-back of shares under section 115QA of the Act.

For the purposes of estimating the tax expenditure, data pertaining to these 961,279 companies were culled from the database for analysis and is detailed in Tables 1 to 5 and Appendix to this statement. **Table 1** profiles these companies across different profit ranges. The following facts emerge from an analysis of the data:-

- 4,43,073 companies (46.09 per cent) reported Rs. 21,44,550.21 crore as profits before taxes and a total income (taxable income) of Rs. 16,15,846.64 crore.
- 4,76,839 companies (49.60 per cent) reported Rs. 8,74,828.38 crore as losses.
- 41,367 companies (4.30 per cent) reported Nil profit.

The **effective tax rate[2] of the entire base of companies was 22.20 per cent** for financial year 2020-21 [as against the rate of **22.54** per cent reported for the financial year 2019-20] while the statutory tax rate was 31.20 per cent (inclusive of cess) in case of companies having income up to Rs. one crore, 33.38 per cent (inclusive of cess and surcharge) in the case of companies having income up to Rs. 10 crore and 34.94 per cent (inclusive of cess and surcharge) in the case of companies having income exceeding Rs.10 crore. Further, for existing companies which opted for the new concessional tax regime (lower tax rate without deductions and exemptions) under section 115BAA of the Income-tax Act, the statutory tax rate was 25.17 per cent. Companies with profits before taxes (PBT hereafter) of Rs. 500 crore and above, accounted for a total of 62.08 per cent of the total PBT and a total of 53.52 per cent of the total corporate income-tax liability. The effective rate of 22.20 per cent for the entire base of companies reporting profits is lower than the effective tax rate of 22.54 per cent in the financial year 2019-20. The reduction in effective tax rate is primarily due to the fact that a number of companies with higher profits have shifted to the new tax regime provided for existing companies under section 115BAA.

The effective tax rate of companies with PBT greater than Rs. 500 crore is 19.14 per cent, which is lower than all the companies having profit before taxes below Rs. 500 crore. This highlights that the larger companies are availing the higher deductions and incentives or have shifted to the new regime of lower tax rate of 22 per cent plus cess and surcharge. This is further corroborated by the higher ratio of total income to PBT in smaller companies. In case of companies having PBT in range of rupees 0-1 crore, the ratio is 97.16 per cent while in case of companies having PBT greater than rupees 500 crore, it is 69.49 per cent. A lower ratio indicates that the larger companies are availing higher deduction and incentives as compared to smaller companies.

[1] *FY 2020-21 has not been taken for calculating the average GDP growth for it being an extraordinary year due to COVID-19 pandemic.*

[2] *Effective tax rate in case of companies is the ratio of total taxes [including surcharge and education cess to the total profits before taxes [PBT] and expressed as a percentage.*

Table 1: Profile of companies across range of profits before taxes (Financial Year 2020-21) (No. of companies – 961,279)

S. No.	Profit Before Taxes	Number of Companies	Share in Profits before Taxes (in %)	Share in Total income (in %)	Share in total Corporate Income-tax liability (in %)	Ratio of total Income to Profits before taxes (in %)	Ratio of Tax to Total Income (in %)	Effective tax rate (in %) [TaxtoProfitratio]
1	Less than Zero	476,839	0.00	0.65	0.61	0.00	22.96	0.00
2	Zero	41,367	0.00	16.25	6.99	0.00	10.54	0.00
3	Rs. 0-1 Crore	385,907	2.16	2.31	2.41	97.16	25.55	24.82
4	Rs. 1-10 Crore	44,499	6.41	6.19	6.68	87.53	26.42	23.13
5	Rs. 10-50 Crore	9,057	9.00	8.35	9.20	84.08	26.99	22.69
6	Rs. 50-100 Crore	1,535	5.02	4.57	5.06	82.64	27.08	22.38
7	Rs. 100-500 Crore	1,558	15.33	14.10	15.53	83.39	26.96	22.49
8	Greater than Rs. 500 Crore	517	62.08	47.58	53.52	69.49	27.54	19.14
	All Companies	**961,279**	**100**	**100**	**100**	**90.67**	**24.49**	**22.20**

Table 2 profiles the sample companies across effective tax rates. It is noted that 6,19,487companies with average effective tax rates up to 20 per cent accounted for 39.08 per cent of total profits before taxes, 17.67 per cent of total taxable income and 19.35 per cent of total taxes. In other words, a large number of companies (619,487 i.e. 64.44 per cent) contributed a disproportionately lower amount of taxes in relation to their profits. Interestingly, 48,291 companies accounting for 5.81 per cent of the total profits and 12.45 per cent of the total taxes had an effective tax rate closer to the average statutory rate of 34.69 per cent. This shows that the tax liability across companies is unevenly distributed. This is primarily due to the various tax preferences provided in the statute that these companies avail.

Table 2: Profile of companies across range of Effective tax rates* (Financial Year 2020-21) [Number of companies – 961,279]

S. No.	Effective Tax Rate (in %)	Number of Companies	Share in Profit before Taxes (in %)	Share in Total income (in %)	Share in total tax liability (in %)
1	Less Than Zero and Zero	516,944	9.02	0.77	0.65
2	0-20	102,543	30.06	16.89	18.70
3	20-25	49,873	21.77	24.78	24.16
4	25-30	182,533	29.62	40.15	38.38
5	30-33	19,728	3.72	5.68	5.66
6	>33	48,291	5.81	11.72	12.45
7	Indeterminate (PBT = 0)	41,367	0.00	0.00	0.00
	Total	**961,279**	**100**	**100**	**100**

* Effective tax rate is inclusive of surcharge and education cess.

Table 3 compares the effective tax rate of public companies (Public Sector Units only) with that of private companies. While the effective rate is lower than the statutory rate for both categories, the private sector companies pay a larger proportion of their profits as tax than the public sector companies.

Table 3: Effective tax rate* of companies in the public and private sectors

(Financial Year 2020-21) (Number of Companies – 961,279)

S. No.	Sector	Number of Companies	Share in total Profits (in %)	Share in total tax liability (in %)	Effective tax rate (in %) [TaxtoProfitratio]
1	Public #	198	18.26	13.97	16.99
2	Private	9,61,081	81.74	86.03	23.37
	All Companies	**9,61,279**	**100**	**100**	**22.20**

* Effective tax rate is inclusive of surcharge and education cess.
# Based on the information given by the assessee companies (as Public Sector Units) in their respective returns.

Table 4 shows a comparison between the effective tax rate of the manufacturing sector and the other sectors in respect of the companies. The non-manufacturing sectors have a lower effective tax rate of 20.75 per cent as compared to manufacturing sector at 25.68 per cent. Both the sectors have an effective tax rate that is well below the average statutory rate of 34.69 per cent. .

Table 4: Effective tax rate* of companies in the manufacturing and non-manufacturing sectors

(Financial year 2020-21) [Number of companies– 961,279]

S. No.	Sector	Number of Companies	Share in total Profits (in %)	Share in total tax liability (in %)	Effective tax rate (in %) [Tax to Profit ratio]
1	Manufacturing	144,141	29.46	34.07	25.68
2	Non-manufacturing	817,138	70.54	65.93	20.75
	All Companies	**961,279**	**100**	**100**	**22.20***

*Effective tax rate is inclusive of surcharge and education cess.

Table 5 gives details of the major tax expenditures on corporate taxpayers during the financial year 2020-21 and projection for the financial year 2021-22. The analysis is based on the corporate returns filed up to 31ST March, 2022, which includes all the returns filed for AY 2021-22. The revenue impact of each tax concession availed by these companies has been calculated by applying the weighted average statutory corporate tax rate of 34.69 per cent [3]on the amount of each deduction. The revenue impact of accelerated depreciation, deduction/ weighted deduction for expenditure on scientific research has been calculated by first determining the difference between the depreciation/ deduction debited to the profit and loss account by companies and the depreciation/ deduction allowable under the Income-tax Act. Thereafter the weighted average corporate tax rate of 34.69 per cent has been applied to this difference to arrive at the tax expenditure figure.

Another aspect of tax expenditure is tax deferral. Tax deferral occurs when the taxpayer, on account of being allowed higher deductions under the tax statute is able to defer his tax liability by claiming an allowance (e.g. depreciation allowance) as a deduction over shorter time period whereas he may be spreading the same depreciation claim over a number of years in his own accounts. As depreciation does not entail cash outgo, this is a tax deferral. On the other hand, the MAT on companies under the tax statute fastens a liability (for the financial year 2020-21, at the rate of 15 per cent on book profits), on the profit reported by the company to its shareholders (subject to some adjustments), and if this liability is in excess of the tax liability computed at normal rates. The excess liability on account of MAT is allowed as a credit (upto 15 years) in a subsequent year in which the normal tax liability is in excess of MAT liability. The additional tax paid on account of MAT is, therefore, an advance payment of future tax liability. It restricts the period of deferral of taxes on account of claims of depreciation and moderates the revenue impact of other deductions such as profit-linked deductions by spreading the same claim over a longer period of time.

3 Average statutory tax rate has been worked out after taking a weighted average of the tax rate of 31.20 per cent in the case of companies having total income upto Rs. 1 crore, of 33.38 per cent in the case of companies having total income upto Rs. 10 crore and 34.94 per cent in the case of companies having total income exceeding Rs.10 crore.

Based on the tax expenditure figures for the financial year 2020-21, the tax expenditure for the financial year 2021-22 has been projected by multiplying the tax expenditure on each tax incentive for the financial year 2020-21 by the average GDP growth for four years [FYs 2017-18, 2018-19, 2019-20 and 2021-22].The average GDP growth rate was calculated to be 12.20%.

Table 5 depicts major tax expenditures on corporate taxpayers in terms of tax expenditure during the financial year 2020-21 and projection for the financial year 2021-22.

Table 5: Revenue Impact of Major Tax Incentives for corporate taxpayers (Financial years 2020-21 and 2021-22) [Number of companies - 961,279]

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2020-21]	Projected Revenue Impact (in Rs.crore) [2021-22]
1	Deduction of export profits of units located in SEZs (section 10AA)	21,157.51	23,738.73
2	Accelerated Depreciation (section 32)	18,949.45	21,261.28
3	Deduction/weighted deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	2,126.90	2,386.38
4	Deduction in respect of specified business (section 35AD)	1,017.00	1,141.07
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,274.99	1,430.54
6	Deduction on account of contributions to political parties (section 80GGB)	256.00	287.23
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	3,299.91	3,702.50
8	Deduction of profits of undertakings engaged in development of SEZs and Industrial Parks (section 80-IA)	273.48	306.84
9	Deduction of profits of undertakings engaged in providing telecommunication services (section 80-IA)	0.02	0.02
10	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	16,782.82	18,830.32
11	Deduction of profits of undertaking engaged in revival of power plant (section 80-IA)	259.11	290.72
12	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	985.88	1,106.16
13	Deduction of profits of industrial undertakings located in Jammu & Kashmir (80-IB)	11.08	12.43
14	Deduction of profits of industrial undertakings derived from production of mineral oil and natural gas (section 80-IB)	0.26	0.29
15	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	16.87	18.93
16	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	53.53	60.06
17	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	130.74	146.69
18	Deduction of profits of industrial undertakings derived from hospital in rural areas (section 80-IB)	2.23	2.50
19	Deduction of profits and gains from housing projects (section 80-IBA)	389.83	437.39
20	Deduction of profits of undertakings set-up in North Eastern States (section 80-IC)	1,618.35	1,815.79

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2020-21]	Projected Revenue Impact (in Rs.crore) [2021-22]
21	Deduction of profits of undertakings set-up in Sikkim (section 80-IC)	3,722.91	4,177.11
22	Deduction of profits of undertakings set-up in Uttarakhand (section 80-IC)	533.19	598.24
23	Deduction of profits of undertakings set-up in Himachal Pradesh (section 80-IC)	76.31	85.62
24	Deduction of profits from business of collecting and processing of bio-degradable waste (section 80JJA)	14.53	16.30
25	Deduction in respect of employment of new workmen (section 80JJAA)	2,118.20	2,376.62
26	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	79.97	89.73
	Total	**75,151.07**	**84,319.50**
	Less: Additional Tax Liability on account of MAT	**18,830.96**	
	Reduced By MAT credit claimed	**18,897.91**	
	Net Additional Tax due to MAT	**-66.95**	**-75.12**
	Total Revenue Forgone	**75,218.02**	**84,394.62**

While the projected tax expenditure figure for financial year 2020-21 (exclusive of additional tax due to MAT payment) was estimated in the last year's statement to be Rs. 111,289.29 crore, it has now been actually calculated at Rs. 75,151.07 crore. This is also an indicator that corporates are shifting to the new regime under section 115BAA and 115BAB. The reduction in MAT liability also reflects the same trend as entities in the new regime do not pay MAT. Across various sectors, deductions availed by units located in SEZ (S. No. 1), accelerated depreciation (S. no. 2), undertakings engaged in generation, transmission and distribution of power (S. No.10), undertakings engaged in development of infrastructure facilities (S. No. 7), specified business (S. No. 4) and deductions on scientific research (S. No. 3) accounted for a significant portion of the total tax incentive. The deduction on account of donations to charitable trusts and institutions have decreased for F.Y. 2020-21 (Rs. 1,274.99 crore) as compared to such donation for F.Y. 2019-20 (4193.83 crore).

The industry-wise distribution of effective tax rate of companies is given in the table in the Appendix to this statement. The effective tax rate for mining of non ferrous metal ores, except uranium and thorium ores (10.66 per cent), manufacture of steel products (12.65 per cent) and manufacture of refined petroleum products (16.49 per cent) are at the lower range. Some of the other sectors which are also having lower tax rates as compared to the effective tax rates are animal husbandry (19.26 per cent) and raising of poultry and production of eggs (19.30 per cent).This rate is the ratio of aggregate of gross tax payable to profit before tax and the set of companies mentioned in the Appendix below includes both profit making companies (PBT>0) and loss making companies (PBT<0).

Further, in an effort to establish a globally competitive business environment for certain domestic companies, attract fresh investment, create employment opportunities and give an impetus to the overall economy, section 115BAA and 115BAB had been inserted to the Act through Taxation Laws (Amendment) Act, 2019 (TLAA).It provides for a concessional tax rate of 22% for existing domestic companies, and of 15% for newly incorporated domestic companies which commences manufacturing, production, research or distribution of such article or thing manufactured by 31st March, 2024. This concession is subject to certain conditions including that they do not avail of any specified incentive or deductions. It has also been provided that the domestic companies opting for the concessional taxation regime shall not be required to pay any Minimum Alternate Tax (MAT).

An analysis of the impact of this concessional tax incentive (made in Table 5.1) shows that out of the corporate returns in the financial year 2020-21, 1,96,758 have opted for the concessional tax rate under section 115BAA, involving a total income of Rs. 1,192,851.30 crores and 3,508 have taken the option under section 115BAB of the Act, involving a total income of Rs. 770.13 crores. Thus, 20.47%, as against 15.85 % for FY 2019-20, of the companies having 61.35% of the total income have opted for the new tax scheme under section 115BAA and 0.36 % companies opted for taking benefit under section 115BAB of the Act. It reflects an encouraging trend towards adoption of the new concessional tax regime by the companies and a simultaneous move away from the deduction and exemption regime.

Table 5.1: Comparison of companies opting for the concessional tax regime and those under earlier tax regime (Financial Year 2020-21)

S. No.	Slabs of Total Income (in crores)	Number of Companies (under 115BAA)	Number of Companies (under 115BAB)	Number of Companies (under earlier tax rate of 30% plus surcharge and cess)	Total Income (under 115BAA) (in crores)	Total Income (under 115BAB) (in crores)	Total Income (under earlier tax rate of 30% plus surcharge and cess) (in crores)
1	Less Than Zero and Zero	69,718	2,269	507,694	-	-	-
2	0-1	94,726	1,095	231,563	17,086.42	171.73	24,655.94
3	1-10	24,086	132	16,957	77,903.02	418.52	51,162.16
4	10-50	5,758	12	3,365	124,743.04	179.87	72,888.96
5	50-100	1,043	-	608	72,638.16	-	42,349.08
6	100-500	1,119	-	622	230,990.20	-	132,004.85
7	>500	308	-	204	669,490.46	-	427,711.70
	Total	**196,758**	**3,508**	**761,013**	**1,192,851.30**	**770.13**	**750,772.69**

B. Non-Corporate Sector [Firms/ AOPs/ BOIsetc.]

Apart from the corporate sector, large business is also organized as partnership firms and Association of Persons [AOPs] or Body of Individuals [BOIs]. The tax expenditure on these is not as large as that in case of companies. The Income-tax Department has received 1,622,196 returns filed electronically upto 31st March ,2022 for income of the financial year 2020-21. For the purposes of calculating the tax expenditure, data pertaining to these 1,622,196 Firms/ AOPs/ BOIs was culled out from the database.

The data was analyzed and the following facts emerged:-

- The entire firms/ AOPs/ BOIs reported Rs. 270,634.71 crore as profits before taxes and declared a total income (taxable income) of Rs. 263,927.82 crores. Losses were reported by about 352,723 returns which is 21.74 per cent of the total.
- These firms/ AOPs/ BOIs reported Rs 75,289.10 crore as income-tax payable [inclusive of surcharge and cess] for the financial year 2020-21.

The revenue impact of each tax concession claimed by the firms/ AOPs/ BOIs has been calculated by applying the income tax rate of 34.09 per cent (weighted average rate calculated taking rate of 31.20 per cent for firms having income less than one crore and 34.94 per cent for firms having income more than one crore with the gross tax payable falling in each tax rate slab) on the amount of each deduction. The tax expenditure on account of accelerated depreciation; deduction/ weighted deduction for expenditure on scientific research has been calculated by first determining the difference between the depreciation/ deduction debited to the profit and loss accounts by firms/ AOPs/ BOIs and the depreciation/ deduction allowable under the Income-tax Act. Thereafter, the income tax rate of 34.09 per cent has been applied to this difference to arrive at the revenue impact of each tax incentive. Based on the revenue impact for each tax incentive for the financial year 2020-21, the revenue impact for the financial year 2021-22 has been projected. The estimation for financial year 2021-22 has been made by multiplying the tax expenditure on each tax incentive for the financial year 2020-21 by the average GDP growth for four years [FYs 2017-18, 2018-19, 2019-20 and 2021-22]. The average GDP growth rate was calculated to be 12.20%.

Table 6 depicts the major tax expenditures on non-corporate taxpayers in terms of tax expenditure during the financial year 2020-21 and projection for the financial year 2021-22. Like financial year 2019-20, the highest tax expenditure continues to be on account of deduction of profits of cooperative societies which accounts for 61.02 per cent of the total revenue impact as compared to 55.48 per cent in last financial year. The tax expenditure on account of units setup in SEZs (under section 10AA) and accelerated depreciation were 16.68 per cent and 5.25 per cent of the total revenue forgone, respectively.

The total tax expenditure for non-corporate sector, i.e., Firms/ AOPs/ BOIs for the financial year 2020-21 is worked out to be **Rs. 7,731.61crore.**

Table 6: Revenue Impact of Major Tax Incentive for non-corporate taxpayers [Firms/AOPs/BOIs]

Financial years 2020-21 and 2021-22

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2020-21]	Revenue Impact (in Rs. Crore) [2021-22]
1	Deduction of export profits of units located in SEZs (Section 10AA)	1,257.96	1,411.43
2	Accelerated Depreciation (section 32)	395.61	443.87
3	Deduction/weighted deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	5.00	5.61
4	Deduction in respect of specified business (section 35AD)	70.22	78.79
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	170.26	191.03
6	Deduction on account of contributions to political parties (section 80GGC)	34.36	38.55
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	101.35	113.71
8	Deduction of profits of undertakings engaged in development of SEZs and Industrial Parks (section 80-IA)	14.19	15.92
9	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	174.88	196.22
10	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	87.94	98.67
11	Deduction of profits of industrial undertakings located in Jammu & Kashmir (80-IB)	4.09	4.59
12	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	83.98	94.23
13	Deduction of profits of industrial undertakings derived from operating a cold chain facility (section 80-IB)	0.33	0.37
14	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	3.19	3.58
15	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	49.83	55.91
16	Deduction of profits and gains from housing projects (section 80-IBA)	420.76	472.09
17	Deduction of profits of undertakings set-up in North Eastern States (section 80-IC)	174.60	195.90
18	Deduction of profits of undertakings set-up in Sikkim (section 80-IC)	27.65	31.02
19	Deduction of profits of undertakings set-up in Himachal Pradesh (section 80-IC)	9.54	10.70
20	Deduction of profits from business of collecting and processing of bio-degradable waste (section 80JJA)	10.20	11.44
21	Deduction in respect of employment of new workmen (section 80JJAA)	34.02	38.17
22	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	0.72	0.81
23	Deduction in respect of profits of cooperative societies (section 80P)	4,600.93	5,162.24
	Total	**7,731.61**	**8,674.87**

C. Individual/ HUF Taxpayers

Chapter VI-A of the Income-tax Act primarily provides for deduction on certain payments and deduction on certain incomes. Individual/ HUF taxpayers are eligible to claim these deductions and have a wide range of tax preferences available to them. However, since more than 50 per cent of the individual taxpayers derive their income primarily from salaries, the profit-linked deductions [i.e. deduction on certain business incomes] are not claimed by them. On the other hand, the group of non-salaried individuals claims both type of deductions. The tax incentives granted to individual taxpayers is presented in Table 7. The tax impact under various sections of Chapter VI-A of the Income-tax Act has been calculated on the basis of various claims for tax preferences in the **63,809,874** returns filed electronically by individuals with the Income-tax Department till 31st March,2022.

Based on the tax expenditure figures for financial year 2020-21, the tax expenditure for the financial year 2021-22 has been projected by multiplying the tax expenditure on each tax incentive for the financial year 2020-21 by the average GDP growth for four years [FYs 2017-18, 2018-19, 2019-20 and 2021-22].The average GDP growth rate was calculated to be 12.20%.

Based on the figures of total **63,809,874** returns of income filed for F.Y. 2020-21 (AY 2021-22), the tax expenditure for the entire population of taxpayers has been prepared. Some of the significant findings are as under:-

(i) Impact of higher basic exemption limits, (Sl. No. 25 and 26 of Table 7), has been calculated by multiplying the tax expenditure per senior citizen and very senior citizen with their respective numbers. According to the data of these returns, 11.70 per cent of the returns were filed by senior citizens and 0.74 per cent of the returns were filed by very senior citizens. Further, the revenue impact of higher exemption limit available to senior citizens has been calculated by taking into account the difference between the higher basic exemption limit (i.e. Rs. 300,000) as compared to the general exemption limit of Rs. 250,000 and applying the lowest tax rate of 5 per cent (plus cess) on the difference.

(ii) In case of individuals, the maximum tax expenditure of an amount of Rs. 74,937.58 crore is on account of claim of deduction for investments in certain instruments as per section 80C of the Act.

(iii) The other major tax expenditure on individual taxpayers for the financial year 2020-21 is on account of rebate under section 87A of the Act amounting to Rs. 29,949.84 crore.

As detailed above, **Table 7** depicts the revenue impact of major tax incentives for individual/ HUF taxpayers, in terms of tax expenditure, during the financial year 2020-21 and projection for financial year 2021-22.

Table 7: Revenue Impact of major tax Incentives for individual/ HUF taxpayers financial years 2020-21 and 2021-22

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2020-21]	Projected Revenue Impact (in Rs. Crore) [2021-22]
1	Deduction on account of certain investments and payments (section 80C)	74,937.58	84,079.96
2	Deduction on account of contribution to certain pension funds (section 80CCC)	282.89	317.40
3	Deduction on account of contribution to the New Pension Scheme (section 80CCD)	4,810.89	5,397.82
4	Deduction on account of health insurance premium (section 80D)	6,444.96	7,231.25
5	Deduction on account of expenditure for medical treatment of a dependent who is disabled (section 80DD)	930.36	1,043.86
6	Deduction on account of expenditure for medical treatment of specified diseases (section 80DDB)	1,152.72	1,293.35
7	Deduction on account of interest on loan taken for higher education (section 80E)	982.14	1,101.96
8	Deduction on account of interest on loan for residential house property (section 80EE)	332.11	372.63
9	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,541.03	1,729.04
10	Deduction on account of rent paid for housing accommodation (section 80GG)	1,361.69	1,527.82

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2020-21]	Projected Revenue Impact (in Rs. Crore) [2021-22]
11	Deduction on account of donations for scientific research or rural development(section 80GGA)	10.97	12.31
12	Deduction on account of contributions given to political parties (section 80GGC)	740.03	830.31
13	Deduction of profits of undertakings engaged in development of SEZs and Industrial Parks, generation of power, and providing telecommunication services (section 80-IA)	65.15	73.10
14	Deduction of profits of undertakings engaged in development of SEZs pursuant to SEZ Act, 2005 (section 80-IAB)	4.95	5.55
15	Deduction of profits and gains from housing projects (section 80-IBA)	148.24	166.33
16	Deduction of profits of industrial undertakings derived from housing projects, production of mineral oil, development of scientific research, integrated business of handling, storage and transportation of food grains and of industrial undertakings located in Jammu & Kashmir and in other backward area (80-IB)	18.98	21.30
17	Deduction of profits of undertakings set-up in North Eastern States, Sikkim, Uttaranchal and Himachal Pradesh (section 80-IC)	23.66	26.55
18	Deduction of profits from business of collecting and processing of bio- degradable waste (section 80JJA)	3.52	3.95
19	Deduction in respect of employment of new workmen (section 80JJAA)	12.78	14.34
20	Deduction of royalty income of authors of certain books other than text books (section 80QQB)	8.03	9.01
21	Deduction of royalty income on patents (section 80RRB)	0.40	0.45
22	Deduction on account of interest in savings account (section 80TTA)	1,422.43	1,595.97
23	Deduction in case of a person with disability (section 80U)	506.95	568.80
24	Rebate u/s 87A	29,950.00	33,603.90
25	Higher exemption limit for senior citizens	1,941.66	2,178.54
26	Higher exemption limit for super senior citizens	610.11	684.54
	Total	**128,244.23**	**143,890.03**

The revenue impact of providing a tax incentive for investments in various savings instruments, repayment of housing loan and payment of tuition fees for children [all these come under section 80C of the Income-tax Act] is the single largest tax expenditure in case of individual taxpayers followed by rebate on tax in case of resident individuals having income up to five lakh rupees, deduction on account of health insurance premium (section 80D) and contribution to New Pension Scheme. The tax expenditure on account of higher basic exemption limits for senior citizens and very senior citizens are also significant. As regards profit-linked deductions, the highest tax expenditure is on account of section 80-IA and section 80-IC of the Income-tax Act.

D. Charitable Entities

The Income-tax Act provides for exemptions to various entities including Government funded entities engaged in objects which are charitable in nature. In addition to this, specific exemption is also available to entities engaged in certain activities which satisfy social purposes. These entities receive donations, voluntary contributions and have other incomes from activities which are charitable in nature. The total receipts of such entities are required to be applied for the purposes for which these have been set up. These entities are required to file income tax return. The total number of electronically filed returns of such entities till 31st March, 2022 for the assessment year 2021-22 is 231,858 . The total amount applied by such entities for charitable and religious purposes during the financial year 2020-21 is Rs. 706,236.40 crores.

Appendix

Effective tax rate, inclusive of surcharge and education cess, of companies across Industry (Financial year 2020-21) (Number of companies – 961,279)

S. No.	Sector	Sub-Sector	Number of Companies	Profit before tax (in Rs. crore)	Total Tax (in Rs. crore)	Effective tax rate (in %)
1	Agriculture, Animal Husbandry & Forestry	Agricultural and animal husbandry services	6,174	937.10	180.51	19.26
2	Agriculture, Animal Husbandry & Forestry	Raising of poultry and production of eggs	695	1,806.19	348.55	19.30
3	Agriculture, Animal Husbandry & Forestry	Growing and manufacturing of tea	1,160	916.36	229.09	25.00
4	Agriculture, Animal Husbandry & Forestry	Others including non-classified	10,439	2,751.06	485.97	17.66
6	Fish Farming	Services related to marine and fresh water fisheries, fish hatcheries and fish Farms	91	9.56	4.56	47.73
7	Fish Farming	Others	397	150.39	47.68	31.71
8	Mining & Quarrying	Extraction of crude petroleum and natural gas	145	14,351.23	4,281.89	29.84
9	Mining & Quarrying	Mining and agglomeration of hard coal	131	24,147.64	5,216.82	21.60
10	Mining & Quarrying	Mining of nonferrous metal ores, except uranium and thorium ores	50	25,999.22	2,772.20	10.66
11	Mining & Quarrying	Mining of iron ores	224	10,460.20	2,332.61	22.30
12	Mining & Quarrying	Others	3823	6,047.36	2,361.96	39.06
13	Manufacturing	Manufacture of refined petroleum products	360	96,116.54	15,853.44	16.49
14	Manufacturing	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	6,726	91,151.50	21,584.25	23.68
15	Manufacturing	Manufacture of motor vehicles	440	18,340.67	7,999.44	43.62
16	Manufacturing	Manufacture of parts & accessories of motor vehicles & engines	3,278	14,144.82	5,824.32	41.18
17	Manufacturing	Manufacture of steel products	4071	70,019.73	8,859.39	12.65
18	Manufacturing	Manufacture of other chemical products	4,261	32,412.17	8,476.10	26.15
19	Manufacturing	Manufacture of tobacco products	341	19,218.60.	4,255.11	22.14
20	Manufacturing	Manufacture of textiles (other than by handloom)	9081	10,944.23	4,314.00	39.42
21	Manufacturing	Manufacture of electrical machinery and apparatus	2461	1,986.80	755.33	38.02
22	Manufacturing	Manufacture of cement, lime and plaster	692	26,113.45	6,675.62	25.56
23	Manufacturing	Manufacture of other food products	4447	18,174.32	3,164.15	17.41
24	Manufacturing	Manufacture of Radio, Television, communication equipment and apparatus	298	7,761.76	1,948.89	25.11
25	Manufacturing	Manufacture of soap and detergents	353	2,187.60	548.43	25.07
26	Manufacturing	Manufacture of fertilizers and nitrogen compounds	1109	10,293.07	2,503.17	24.32
27	Manufacturing	Manufacture of rubber products	1161	7,787.99	2,305.68	29.61
28	Manufacturing	Manufacture of paints, varnishes and similar coatings	777	7,080.28	1,904.42	26.90
29	Manufacturing	Manufacture of plastic products	3470	6,317.97	2,000.48	31.66
30	Manufacturing	Manufacture of paper and paper products	2698	1,678.60	1,037.20	61.79
31	Manufacturing	Manufacture of engines and turbines	203	2,787.60	951.21	34.12

S. No.	Sector	Sub-Sector	Number of Companies	Profit before tax (in Rs. crore)	Total Tax (in Rs. crore)	Effective tax rate (in %)
32	Manufacturing Water	Others including non-classified electricity	97,914	18,7080.37	61,272.72	32.75
33	Electricity, Gas & Water	Manufacture and distribution of gas	329	10,225.83	2,439.76	23.86
34	Electricity, Gas & Water	Other essential commodity service n.e.c	2,246	603.35	96.48	15.99
35	Construction	Construction and maintenance of roads, rails, bridges, tunnels, ports, harbour, runways etc.	5,408	31,153.40	10,547.98	33.86
36	Construction	Building of complete constructions or parts civil contractors	18,791	4,653.31	2,817.20	60.54
37	Real Estate & Rental Services	Developing and subdividing real estate into lots	9,281	1,295.39	1,039.71	80.26
38	Real Estate & Rental Services	Operating of real estate of self-owned buildings(residential and non-residential)	3,645	1,429.34	1,174.52	82.17
39	Real Estate & Rental Services	Purchase, sale and letting of leased buildings(residential and non-residential)	6,093	1,463.47	935.97	63.96
40	Real Estate & Rental Services	Real estate activities on a fee or contract basis	6,075	451.78	395.59	87.56
41	Wholesale & Retail Trade	Wholesale of electronic parts & equipment	3,460	4,114.02	1,336.78	32.49
42	Wholesale & Retail Trade	Wholesale and retail sale of motor vehicles	3,678	1,393.45	800.02	57.41
43	Wholesale & Retail Trade	Wholesale of other machinery, equipment and supplies	2,975	1,453.31	577.25	39.72
44	Wholesale & Retail Trade & Hospitality Services	Others including non-classified Services	163,231	36,519.30	21,240.26	58.16
45	Transport & Logistics Services	Freight transport by road	4,096	940.90	757.35	80.49
46	Financial Intermediation Services	Commercial banks, saving banks and discount houses	353	165,949.06	42,273.22	25.47
47	Financial Intermediation Services	Commercial loan activities	2,314	20,946.60	10,099.16	48.21
48	Financial Intermediation Services	Others including non-classified	47,459	179,962.77	61,546.58	34.20
49	Computer & Related Services	Software development Services	24,370	163,684.88	41,698.32	25.47
50	Computer & Related Services	Other IT enabled services	24,070	41,964.00	13,122.24	31.27
51	Computer & Related Services	BPO services	2,254	5,888.51	1,662.16	28.23
52	Computer & Related Services	Others	17,059	6,216.27	2,718.21	43.73
53	Research & Development	Research & Development	1,988	832.77	440.17	52.86
54	Professions	Engineering and technical consultancy	4,609	3,159.47	1,352.04	42.79
55	Professions	Business and management consultancy activities	7,417	2,263.60	1,035.88	45.76
56	Professions	Advertising	2,469	1,054.37	331.66	31.46
57	Professions	Architectural profession	1,087	108.23	45.46	42.00
58	Professions	Others including non-classified	22,101	1,860.92	1,109.84	59.64
59	Education Services	Primary education	702	66.56	36.18	54.36
60	Health Care Services	Specialty and super specialty hospitals	2,105	1,172.10	1,106.83	94.43
61	Health Care Services	Diagnostic centers	1,641	1,975.65	478.37	24.21
62	Health Care Services	General hospitals	2,455	954.96	356.32	37.31
63	Health Care Services	Others	9,070	860.32	524.19	60.93
64	Culture & Sport	Television channels broadcast	490	7,430.89	2,016.43	27.14
65	Culture & Sport	Others including non-classified	4,821	1,082.66	802.61	74.13

Statement of Revenue Impact of Tax Incentives for Customs Duty for the period 2021-22 and 2022-23 (Estimated)

Customs duty on goods is levied under the Customs Act, 1962 at rates specified in the First Schedule to the Customs Tariff Act, 1975 (commonly referred to as basic customs duty - BCD). Export duty is also levied on certain items at rates specified in the Second Schedule to the Customs Tariff Act, 1975.

2.1 These rates, specified against individual tariff lines in the Customs Tariff Act, 1975, are commonly known as “tariff rates”. Further, the Customs Act, 1962 or the Finance Acts concerned delegates powers to the Central Government [under Section 25(1) of the Customs Act, 1962, which is also made applicable to duties levied under various Finance Acts] to prescribe duty rates lower than the Tariff rates through notifications. The rates, prescribed through such exemption notifications, are referred to as "effective rates".

2.2 Further, exemption notifications issued by the Government can be broadly classified into two types:-

(i) **Conditional exemption notifications; and**

(ii) **Unconditional exemption notifications.**

2.3 Unconditional exemptions prescribe general effective rates of duty for a commodity. This rate applies to all imports of that commodity, without any conditions. In other words, such unconditional exemptions in effect prescribe MFN rate for a commodity.

2.4 Conditional exemptions, on the other hand, prescribe effective rates under certain specific circumstances, as against the higher tariff rate or the MFN rate, as discussed above. Such conditional notifications are for specified purposes, for example, to promote domestic manufacturing, defense procurements, etc. In such cases, only those imports, which fulfill conditions prescribed for such rates, are eligible for such effective rates. As such, these exemptions result in revenue foregone vis-à-vis the relevant tariff/ MFN rate.

2.5 **Duty Free imports under export schemes:** Certain exemptions have been provided for procurement of raw materials and inputs that go into the export goods. As such, these exemptions only provide for tax neutralization to exports for zero rating of exports. These concessions, being aimed at zero rating of exports, do not effectively result in revenue foregone on account of BCD concessions.

2.6 **Export linked remissions or incentives provided through scrip rate:** There are certain scheme that allows for remissions or incentives to exporters. A remission to export goods is allowed in lieu of certain embedded taxes or levies of States and Centre. Schemes like RoDTEP and RoSCTL are of such nature. There are other schemes, which are in the nature of incentives. Examples of such schemes are MEIS, SEIS etc. Under these schemes, credit in the form of freely tradable scrips is allowed. This credit can be set off against any payment of Basic Customs Duty (BCD) on imports. The usage of scrip for payment of BCD was taken as revenue foregone till 2020-21. However, in changed accounting practice, considering the real nature, the duty paid through scrip is now accounted as revenue and the duty credit so allowed to exporter is counted as expenditure. The revised practice has been adopted since 2021-22, and the same practice is continued for 2022-23.

3. **FTA**: India has entered into Free Trade Agreements, Comprehensive Economic Partnership Agreements and Comprehensive Economic Co-operation Agreements with a number of countries or group of countries. Similarly, India is also a signatory to the Information Technology Agreement-I. Under this agreement, India has bound itself for lower rate/exemption on the specified goods as covered under such agreement. These preferential tariffs are also prescribed through notifications issued under section 25 of the Customs Tariff Act, 1962. **Such preferential tariffs extended as part of sovereign commitments, are also the general applicable rate for imports covered by such agreements.**

4. **Therefore, as explained above, since the unconditional exemptions and exemptions extended towards sovereign commitments in effect prescribe MFN rates (effective rate) for the commodity concerned, a more appropriate estimation for the revenue impact of tax concessions would be the revenue foregone on account of conditional exemptions only.**

5. **Revenue impact assessment for the Year 2021-22 and 2022-23 (Estimated):** Estimate of total revenue impact under various exemption notifications is based on the data generated from the Bills of Entry filed by the importers in the Indian Customs Electronic Data Interchange System (ICES) at various Electronic Data Interchange (EDI) locations. Extrapolation has been made to arrive at revenue foregone on account of imports not captured in ICES. ICES constitutes about **94%** of total imports for the period 2021-22 and **96%** of the total imports for the period of 2022-23(estimated).

6.1 Based on the above stated methodology, the revenue impact of tax concessions on customs side for the year 2021-22 and 2022-23 (Estimated) works out as under:

Table I: Revenue Impact of Tax concessions on account of Basic Customs Duty

(Rs Crore)

S.No.	Name of the Scheme	Formula	Revenue Impact (2021-22)	Revenue Impact (2022-23) (Estimated)
A.	**On account of BCD collection at different rates less than Tariff rate as per EDI data**	**A.1+A.2+A.3**	**3,66,345**	**3,89,849**
On account of :-				
A.1	Unconditional/technical BCD exemptions as per EDI data	-	2,58,210	2,78,003
A.2	FTA/PTA/CECA/CEPA as per EDI data (Refer Table II)	-	72,716	79,164
A.3	Conditional BCD exemptions- EDI locations (Refer Table III)	-	35,419	32,682
B.	**Revenue foregone of Conditional BCD exemptions (EDI + non-EDI locations)**	**(A.3)x100/f#**	**37,680**	**34,044**
C.	Revenue impact on account of input tax neutralization scheme (Refer Table IV)	-	50,951	68,436
D.	**Net Duty Foregone (on account of Customs tariff concessions)**	**-**	**37,680**	**34,044**

Source: DG(sys), CBIC & PrCCA

 # f is extrapolation factor which is equal to 94% for the year 2021-22 and 96% for the year 2022-23 (Estimated) to include imports not captured in ICES.

6.2 Details of Revenue impact on account of FTA/PTA/CEPA/CECA as per EDI data for the Year 2021-22 and 2022-23 (Estimated) (refer Sr. No. A.2 in Table I above) is as under:

Table II: Revenue Impact on account of FTA/PTA/CEPA/CECA

(Rs Crore)

S.No.	FTA/PTA/CEPA/CECA Country/Region	Revenue Impact (2021-22)	Revenue Impact (2022-23) (Estimated)
1	On account of concessional rate of customs duty for specified goods imported from ASEAN	27,091	33,706
2	On account of concessional rate of customs duty for specified goods imported from Korea	9,339	10,727
3	On account of concessional rate of customs duty for imports from Japan	7,586	9,062
4.	On account of concessional rate of customs duty for imports from Malaysia	922	968
5.	On account of concessional rate of customs duty for imports from South Asian Free Trade Area, other Preferential Trade Agreement, Concessions to Least Developed Countries etc.	25,440	22,427
6.	Others	2,338	2,274
	Total	**72,716**	**79,164**

Source: DG(sys), CBIC

6.3 Details of Revenue impact on account of conditional BCD exemptions as per EDI data for the Year 2021-22 and 2022-23 (Estimated) (refer Sr. No. A.3 in Table I above) is as under: -

Table III: Revenue Impact on account of conditional BCD exemptions (EDI)

(Rs Crore)

S.No.	Head	Revenue Impact (2021-22)	Revenue Impact (2022-23) (Estimated)
1	On account of exemption to specified goods used in manufacturer of mobile phones (notification No. 57/2017-Customs)	4,237	3,794
2	On account of BCD exemptions to Mineral Fuels, mineral oils etc (notification No. 52/2017-Customs)	1,520	653
3	On account of BCD exemption to manufacture ITA Bound Goods (notification No. 24/2005-Customs and 25/2005-Customs)	629	753
4	On account of exemption to research equipment imported by public funded or Govt. Department. etc. (notification No. 51/1996-Customs)	220	202
5	On account of exemption and effective rates of Customs Duty for other items (other than those mentioned at Sr. No. 1 to 4)	28,813	27,280
	TOTAL (EDI)	**35,419**	**32,682**
	TOTAL (EDI + Non EDI)*	**37,680**	**34,044**

Source: DG(sys), CBIC

6.4 Details of Revenue impact on account of Export promotion schemes as per EDI data for the Year 2021-22 and 2022-23 (Estimated) (refer Sr. No. C in Table I above) is as under: -

Table IV: Revenue Impact on account of Export Promotion Schemes

(Rs Crore)

S.No.	Name of the Scheme	Revenue Impact (2021-22)	Revenue Impact (2022-23, upto November)	Revenue Impact (2022-23) (Estimated)
1	Advanced Authorisation Scheme	12,514#	10,997	16,496
2	EOU/EHTP/STP	6,749#	5,226	7,838
3	EPCG	3,067#	2,529	3,793
4	SEZ	27,973@#	29,548@*	39,397
5	Duty Free Import Authorisation Scheme	648#	608	912
	Total	**50,951**	**48,908**	**68,436**

Source: DG(sys), CBIC

Actuals for 2021-22.

@ *Data for SEZ received from Department of Commerce.*

* *Data for period till December, 2022.*