

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:3226  
ANSWERED ON:15.03.2000  
INCENTIVES TO SMALL SCALE INDUSTRIES  
SU THIRUNAVUKKARASAR

**Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES be pleased to state:**

- (a) whether certain incentives for opening of small scale industries in the backward district in form of sales tax exemption, tax holidays, etc. are proposed to be given by the Government;
- (b) if so, the details thereof;
- (c) whether the Indian Government propose to help other countries of the world in sharing its expertise it gained in promotion the small scale industries;
- (d) if so, the details thereof; and
- (e) steps taken to set up small scale industries training institutes in various districts of Tamil Nadu especially in Pudukkottai district?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO INDUSTRIES

(SMT. VASUNDHARA RAJE)

(a) & (b) Yes, Sir. Government has proposed to give incentives for opening of new units in the backward districts, by way of giving a five years tax holiday to undertakings, including small scale units set up in industrially backward districts upto 31.03.2002 as proposed in the Union Budget 2000-2001. All SSI Units set up till 31.03.2002 in backward districts or otherwise, shall be eligible for a deduction of 25% of the profits (30% for companies) for a period of 10 years under the amendment to Section 80-1B of the Income Tax Act as proposed in the Finance Bill 2000-2001. Sales Tax is levied by the States, keeping in view their economic and financial priorities and any exemption in this regard is to be considered only by the concerned State Government.

(c) & (d) Yes, Sir. Government has been sharing its experience with other countries by providing specialized consultancy to various countries for speeding up their industrialization process. Special exposure programmes are also conducted for the prospective and existing entrepreneurs from various countries. Expertise available with us in the field of formulation of industrial development policies, preparation of project profiles for identification of opportunities, selection of technology, training, infrastructure development and general consultancy are made available to the countries who approach us for this purpose.

(e) The Government has set up various small scale industries training institutes in Tamil Nadu which include Small Industries Service Institute (SISI), Chennai, Branch SISI at Coimbatore and Tuticorin, Regional Testing Centre at Chennai, Central Footwear Training Institute at Chennai and Small Industries Testing and Research Centre at Coimbatore. In Pudukkottai District, there are three approved Institutions to impart training to beneficiaries under the Prime Minister's Rozgar Yojana.