

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4730
ANSWERED ON:04.05.2012
TAX REBATES FOR SMALL INDUSTRIES
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Will the Minister of FINANCE be pleased to state:

- (a) the details and criteria for extending rebates in taxes for small industries;
- (b) whether the Government proposes to provide any financial assistance for development of sick and closed small and medium industries of the public sector;
- (c) if so, the details thereof; and
- (d) the State-wise details of such industries on the verge of closure due to poor financial condition?

Answer

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

(a): So far as direct taxes are concerned, the Income Tax Act, 1961 provides for tax incentives in the form of deduction for businesses operating in specific sectors or areas irrespective of the size of the business. So far as indirect taxes are concerned, under Central Excise, SSI exemption is available to specified goods for value of clearances made by a manufacturer or a factory for home consumption upto Rs. 1.5 crore in a financial year. This benefit is available to units whose aggregate value of clearances in the preceding financial year does not exceed Rs.4 crore. The exemption is available on fulfillment of certain conditions and the method of computation of the value of clearances is specified.

(b) & (c): As per information provided by the Department of Public Enterprises, the Government constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) in December, 2004 as an advisory body to advise the Government on strategies, measures and schemes for strengthening, modernizing, reviving and restructuring of Central Public Sector Enterprises (CPSEs). The administrative Ministry/Department of the concerned CPSE is responsible for preparing a comprehensive package for revival/rehabilitation or closure of the loss making CPSE after due consultations with all the stakeholders and refer it to BRPSE for its recommendations. Thereafter, approval of the Competent Authority is obtained and the decisions implemented. Based on the recommendations of BRPSE, Government has approved revival of 43 CPSEs envisaging total assistance of Rs.26087 crore (cash assistance of Rs.4492 crore in the form of infusion of funds and non-cash assistance of Rs.21595 crore in the form of waivers/write offs of interest/loans, etc.) from Government of India.

(d): State wise list of CPSEs, whose registered office is located, incurring losses consistently for the last three years (2008-09 to 2010-11) is given in Annexure.