

1	2	3
Sreenivasan A.L.	—	9.98
S. Sundaram Chettiar	—	3.86
Visaynairasla G.	—	3.72
Venugopal T. P.	—	1.36
V.S.R. Swamy	—	2.04
Balasubramaniam S.P.	7.48	6.02
Jamuna	1.52	19.71
Joy K.J.	0.18	2.17
Jayamalini	1.66	0.16
Kainat P.K.	6.46	—
Rama Aranganal	—	4.88
R.S. Somnathan	0.64	1.25
Biswajit Chatterjee	1.89	1.89
Suchitra Sen	1.75	—

#### Tax concessions to small scale industry

2473-A. SHRI JERLIE E. TARIANG: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that the Economic Administration Reforms Commission had made recommendations for various tax concessions to the small scale industry; and

(b) if so, what are the details in this regard and what action Government have taken thereon so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir. The Economic Administration Reforms Commission have made certain recommendations for tax concessions to the small scale industries in Report No. 30.

(b) A Statement showing main recommendations/observations of the EARC with regard to Direct Taxes and Central Excise duties and action taken thereon is enclosed.

Statement

Recommendation of Economic Administration Reforms Commission with regard to Direct Taxes

Action Taker

1. Section 80L of the Income tax Act should provide for exemption of income arising from investments in small scale enterprises. The general limit of Rs. 7,000/- for deduction under this section be raised to Rs. 12,000/- specifying Rs. 5,000/- as reserved for income from small scale enterprises only.

Recommendations are under consideration in consultation with Ministry of Industry & Commerce Affairs,

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2. The tax concessions under section 80L as in (1) above should be available not only to industries as understood in common parlance but also to other activities such as transport construction and technological consultancy.
3. The deduction under section 80L in respect of income from small scale units should be extended to cover all non-corporate tax payers.
4. A softer tax treatment should be given to the small scale companies engaged in industry, transport, construction or technological consultancy.
5. In addition to the existing tax concessions for investment in financial assets or in plant and machinery, a special exemption upto Rs. 5 lakhs under the Wealth-tax Act should be provided exclusively to cover investments in small scale units in the form of plant and machinery including vehicles in the case of transport unit.

*Observation with regard to Central Excise duties.*

- a. Differential taxation in the shape of excise concessions has been extended to this sector. These efforts, however, have not met with the same degree of success in different parts of the country. Nor have they removed the basic weakness of the small sector. We believe that there is considerable scope for more effective and Positive measures.

The Commission have made only a general recommendation regarding the scope for more effective and Positive measures of assistance to small scale units by way of excise concessions.

As Part of the 1985 Budget proposals, the Cut-off limit for the perpost of eligibility to the small scale exemption both as applicable to specified groups of commodities and in respect of T. I. 68 goods has been raised to Rs. 75 lakhs.

**बिहार में सहायक उद्योगों की स्थापना**

**@ 2473 (ख). श्री जगदम्बी प्रसाद**

**यादव :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार बिहार में सरकारी क्षेत्र के भारी उद्योगों के सहायक उद्योग स्थापित करने के लिये स्कीम शुरू करने का विचार रखती है; और

(ख) यदि हां, तो उसका व्यौरा क्या है ?

वित्त मंत्रालय से राज्य मंत्री (श्री जनार्दन पुजारी) : (क) और (ख) सम्भवतः माननीय सदस्य का आशय सहायक उद्योगों से है। सहायक उद्योगों के विकास की नीति केन्द्रीय सरकारी उद्योगों में प्रचलित है। बिहार सहित उद्योगों में सहायक उद्योग-विकास का व्यौरा "लोक उद्यम सर्वेक्षण 1983-84" के खंड-1 में पृष्ठ 323 से 340 तक दिया गया है, जिसे 15 मार्च, 1985 को सभा-पटल पर रखा गया था।

**@Previously Unstarred Question 2201.  
transferred from the 19th August, 1985.**