



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore - 641 107**

**An Autonomous Institution**

**Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA107 - ENTREPRENEURSHIP DEVELOPMENT**

**I YEAR /II SEMESTER**

**Unit V – INSTITUTIONAL AIDS AND TAX BENEFITS**

**Topic 2: ED –SIDBI, SISI and SIPCOT**



# Small Industries Development Bank of India (SIDBI)



- Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament.
- SIDBI acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities
- Facilitator- playing a facilitator through roles like Nodal Agency for the MSME oriented Schemes of the Government.



# Functions Small Industries Development Bank of India (SIDBI)



- Indirect Lending- based on multiplier effect/ larger reach in financing the MSME sector and is undertaken through Banks, SFBs, NBFCs, MFIs and New Age Fintechs.
- Direct Lending- aims to fill the existing credit gaps in the MSME sector
- Fund of Funds- boosts entrepreneurship culture by supporting emerging startups through the Fund of Funds channel



# Small Industries Services Institute. (SISI)

- The small industries service institutes (SISI's) are set-up one in each state to provide consultancy and training to small and prospective entrepreneurs.
- SISI - Madras, provides a comprehensive range of services to the small scale industrial sector in Tamil Nadu in terms of technical assistance, Economic information services, provision of workshop facilities, training and other general consultancy services.



# Functions of SISI

- To assist existing and prospective entrepreneurs through technical and managerial counseling such as help in selecting the appropriate machinery and equipment, adoption of recognized standards of testing, quality performance etc;
- Conducting EDPs all over the country
- To advise the Central and State governments on policy matters relating to small industry development

**Assistance to DICs**

**Assistance to SC/ST/Women/Weaker Sections**



# State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT)



- State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT) was established in the year 1971 to develop industrial growth in Tamilnadu.
- To give main thrust to area development activities, the organization involves in the formation of industrial complexes by providing basic and comprehensive infrastructure facilities for the industries to set up their units.
- SIPCOT has so far developed 21 Industrial Complexes in 12 districts and 7 Sector Specific Special Economic Zones (SEZs) across Tamil Nadu.
- SIPCOT also acts as a Nodal Agency of Government of Tamil Nadu in the sanction / disbursement of Structured Package of Assistance to large industrial units.



# State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT)



SIPCOT has rendered fruitful services to the state by identifying, developing, maintaining Industrial Areas in backward and most backward taluk of the State, which had the potential to grow.

Establish, develop, maintain and manage Industrial Complexes, parks and growth centres at various places across the State of Tamil Nadu. SIPCOT's role in assisting the industrialization in the State is not only quantitative but also qualitative.



# State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT)



Instead of just accelerating the pace of industrial growth in already developed and densely populated areas, SIPCOT, as a nodal agency, strives to ensure that disbursal of financial incentives result in spurt of industrial growth in backward and areas yet to develop.

To ensure a good impact with the available limited resources, SIPCOT has created Industrial Complexes and Parks, strategically located in twenty one places and twelve Districts, which occupy a place of pride in the State's industrial map.





# State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT)



- **CHAIRMAN**  
**THIRU N.MURUGANANDAM, I.A.S.**
- **MANAGING DIRECTOR**  
**THIRU T.ANAND, IAS.**



# Tax Concessions to Small Scale Industries in Rural Areas and Backward Areas.



- The Planning Commission of India, in 1970-71, declared 247 districts out of 435 districts as backward areas with a view to provide them special incentives and concessions to establish industries in these backward areas.
- The newly established small-scale industries in these areas specified in the Eighth Schedule to the Income Tax Act, 1961 are entitled to a deduction of 20% of their profits and gains from their gross total income.
- This deduction is allowed for a period of 10 years beginning with the year of commencement of manufacture or production.



# Tax Concessions to Small Scale Industries in Rural Areas and Backward Areas.



- The Planning Commission of India, in 1970-71, declared 247 districts out of 435 districts as backward areas with a view to provide them special incentives and concessions to establish industries in these backward areas.
- The newly established small-scale industries in these areas specified in the Eighth Schedule to the Income Tax Act, 1961 are entitled to a deduction of 20% of their profits and gains from their gross total income.
- This deduction is allowed for a period of 10 years beginning with the year of commencement of manufacture or production.



# Tax Concessions to Small Scale Industries in Rural Areas and Backward Areas.



- However, if a small-scale industry has already been established in a non-backward area and later shifted to backward area, the unit will be allowed this deduction on the profits earned from the undertaking after shifting in the backward area for a period of 10 years.
- A small-scale industry established in backward area but engaged in mining activity is not entitled to such deduction benefit.



**RECAP**

**QUESTIONS???**

**THANK YOU**