

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1455**  
**TO BE ANSWERED ON 15.12.2022**

**COTTAGE INDUSTRIES**

1455. SHRIMATI MANJULATA MANDAL:  
SHRI SELVAM G.:  
SHRI C.N. ANNADURAI:  
SHRI GAJANAN KIRTIKAR:  
SHRI DHANUSH M. KUMAR:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether entrepreneurs related to cottage industries are being trained in the country and if so, the details thereof States-wise, particularly in Tamil Nadu and Maharashtra;
- (b) whether the Government has failed to modernise the cottage industry and if so, the reasons therefor and the corrective steps taken in this regard;
- (c) whether cottage industries in villages are gradually disappearing due to liberalisation and if so, the details thereof and the criteria set for defining and reckoning cottage industries in villages;
- (d) the contribution of small and cottage industries in the economic development of the country during the last three years;
- (e) whether the Government has made any assessment regarding capacity/contribution of cottage industries in creating employment opportunities in the country and if so, the details thereof; and
- (f) the steps taken by the Government to provide market to cottage industries and save these from liberal market forces along with the outcome thereof?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI BHANU PRATAP SINGH VERMA)

(a): The 'Cottage Industry' has not been defined under the Khadi and Village Industries Commission Act, 1956. However, the broad contours of 'Cottage Industry' are covered under the 'Village Industry' vertical under the purview of the Khadi and Village Industries Commission (KVIC) and are broadly classified under six groups for the purpose of implementation of its programmes which are as follows:

1. Agro Based & Food Processing Industry (ABFPI)
2. Mineral Based Industry (MBI)
3. Wellness & Cosmetics Industry
4. Handmade Paper, Leather & Plastic Industry (HPLPI)
5. Rural Engineering and New Technology Industry (RENTI)
6. Service Industry

Ministry of MSME is implementing Prime Minister's Employment Generation Programme (PMEGP) scheme, a credit-linked subsidy programme since 2008-09 with KVIC as nodal agency at the national level for generating self-employment opportunities through establishment of micro enterprises, including village industries, throughout the country.

Entrepreneurs Development Programme (EDP) training is imparted to beneficiaries who have established new micro enterprises under PMEGP, through KVIC, Khadi and Village Industries Boards (KVIBs) Training Centers as well as Accredited Training Centers run by Central Government, National Small Industries Corporation Limited (NSIC), National Institute for Entrepreneurship and Small Business Development (NIESBUD), National Institute for Micro, Small and Medium Enterprises (NIMSME), Indian Institute of Entrepreneurship (IIE), and their partner institutions under the administrative control of Ministry of MSME. State Governments, Banks, Rural Development and Self Employment Training Institutes (RUDSETI) reputed NGOs, and other organizations/institutions, identified by the Government from time to time also impart such training.

Further, KVIC imparts training to rural and traditional artisans in various rural industries. It provides tools and equipment and hand holding support through implementation of various schemes/programmes like Honey Mission for beekeeping industries, Kumbhar Sashaktikaran Programme for Pottery artisans, Leather Craft Programme for leather artisans etc.

KVIC also conducts Skill Development Programme (SDP) and Entrepreneurship Awareness Programmes (EAP) in the country for unemployed youth to generate self-employment opportunities in traditional industries.

State-wise number of candidates trained under Skill Development Programmes (SDP), Entrepreneurship Awareness Programmes (EAP) and Entrepreneurship Development Programme (EDP) during the year 2021-22 in the country including Tamil Nadu and Maharashtra States is placed at **Annexure-I**.

(b): The measures taken to modernize Village Industries, by the Ministry of MSME through KVIC and Coir Board, is placed at **Annexure-II**.

(c) & (d): No Sir, the cottage industries in villages are gradually increasing. The number of micro units assisted under PMEGP scheme during the last three years and current year shows an increasing trend, as may be seen from the following table:

| <b>Year</b>                   | <b>Projects</b> | <b>Margin Money</b> | <b>Employment</b> |
|-------------------------------|-----------------|---------------------|-------------------|
| 2019-20                       | 66653           | 1950.82             | 533224            |
| 2020-21                       | 74415           | 2188.80             | 595320            |
| 2021-22                       | 103219          | 2977.66             | 825752            |
| 2022-23<br>(up to 31.10.2022) | 34476           | 1111.10             | 275808            |

(e): No assessment has been made regarding capacity/contribution of cottage industries in creating employment opportunities. However, it is estimated that on an average 8 persons per project are employed under PMEGP scheme.

(f): Steps being taken by KVIC to provide marketing support to Khadi and Village Industries units, details of which are placed at **Annexure-III**.

Annexure-I referred to in reply to part (a) of the Lok Sabha Unstarred Question No.1455 for answer on 15.12.2022

State-wise number of candidates trained under Skill Development Programmes (SDP), Entrepreneurship Awareness Programmes (EAP) and Entrepreneurship Development Programme (EDP) during the year 2021-22

| Sl.No      | Name of the State/UT      | SDP          | EAP          | EDP          |
|------------|---------------------------|--------------|--------------|--------------|
| 1.         | Andaman & Nicobar Islands | 0            | 0            | 124          |
| 2.         | Andhra Pradesh            | 977          | 388          | 2504         |
| 3.         | Arunachal Pradesh         | 0            | 0            | 167          |
| 4.         | Assam                     | 1264         | 2009         | 2544         |
| 5.         | Bihar                     | 710          | 1056         | 2466         |
| 6.         | Chandigarh (UT)           | 0            | 0            | 19           |
| 7.         | Chhattisgarh              | 0            | 0            | 2769         |
| 8.         | Dadra Nagar Haveli        | 0            | 0            | 5            |
| 9.         | Daman and Diu             | 0            | 0            | 7            |
| 10.        | Delhi                     | 1109         | 2429         | 81           |
| 11.        | Goa                       | 0            | 0            | 80           |
| 12.        | Gujarat                   | 0            | 0            | 4223         |
| 13.        | Haryana                   | 0            | 0            | 1720         |
| 14.        | Himachal Pradesh          | 0            | 0            | 1055         |
| 15.        | Jammu Kashmir             | 760          | 1040         | 22098        |
| 16.        | Jharkhand                 | 0            | 0            | 1438         |
| 17.        | Karnataka                 | 1127         | 3796         | 5937         |
| 18.        | Kerala                    | 1792         | 3405         | 2296         |
| 19.        | Ladakh (UT)               | 0            | 0            | 235          |
| 20.        | Lakshadweep               | 0            | 0            | 4            |
| 21.        | Madhya Pradesh            | 1564         | 2832         | 6553         |
| <b>22.</b> | <b>Maharashtra</b>        | <b>4249</b>  | <b>7483</b>  | <b>4164</b>  |
| 23.        | Manipur                   | 0            | 0            | 743          |
| 24.        | Meghalaya                 | 0            | 0            | 457          |
| 25.        | Mizoram                   | 535          | 1232         | 553          |
| 26.        | Nagaland                  | 180          | 537          | 761          |
| 27.        | Odisha                    | 219          | 0            | 2549         |
| 28.        | Puducherry                | 0            | 0            | 55           |
| 29.        | Punjab                    | 0            | 0            | 1568         |
| 30.        | Rajasthan                 | 225          | 1822         | 2566         |
| 31.        | Sikkim                    | 0            | 0            | 65           |
| <b>32.</b> | <b>Tamil Nadu</b>         | <b>3318</b>  | <b>3328</b>  | <b>5409</b>  |
| 33.        | Telangana                 | 0            | 0            | 2468         |
| 34.        | Tripura                   | 0            | 0            | 831          |
| 35.        | Uttar Pradesh             | 1723         | 4632         | 10597        |
| 36.        | Uttarakhand               | 800          | 3240         | 1820         |
| 37.        | West Bengal               | 828          | 2127         | 2357         |
|            | <b>Total</b>              | <b>21380</b> | <b>41356</b> | <b>93288</b> |

**Annexure-II referred to in reply to part (b) of the Lok Sabha Unstarred Question No.1455 for answer on 15.12.2022**

Ministry of MSME is implementing the following schemes to modernize Village industries in the country:

- i) Scheme of Fund for Regeneration of Traditional Industries (SFURTI): The Scheme envisages providing need based assistance to traditional village industries for replacement of production equipment, setting up of Common Facility Centres (CFC), product development, quality improvement, improved marketing, training and Capacity Building, etc. As on date, 498 clusters have been approved and they are under various stages of implementation. Out of 498 SFURTI clusters, 266 clusters of rural and traditional industrial units are functional.

KVIC:

- ii) Modified Market Development Assistance (MMDA): under the sub-scheme, KVIC provides Market Development Assistance to the Khadi Institutions for infrastructure development and for marketing support. The propaganda, Publicity and Exhibitions are also organized by KVIC to help in marketing of products manufactured by the Khadi Institutions and entrepreneurs promoted by the KVIC. An amount of Rs. 67.85 Cr financial assistance disbursed to 570 Khadi institutions in the current financial year upto 30.11.2022.
- iii) Interest Subsidy Eligibility Certificate (ISEC): under the sub-scheme Khadi Institutions can avail loan from Bank to cater their need of working capital and are to pay only 4% interest and remaining part of the interest charged by the Bank is borne by the Govt. of India. An amount of Rs. 19.10 Cr has been disbursed to 989 Khadi institutions in the current financial year upto 30.11.2022.
- iv) 'Strengthening of Infrastructure of Weak Khadi Institutions and Assistance for Marketing Infrastructure': under this sub-scheme financial assistance is provided to existing weak Khadi Institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets. An amount of Rs. 1.28 Cr have been disbursed on infrastructure development for 17 khadi institutions. Under the marketing assistance component, 10 sales outlets institutions for modernization of sales outlets in the current financial year upto 30.11.2022.

Coir Board:

- v) Modernization of Production Process, sub scheme of 'Science & Technology' under 'Coir VikasYojana': The objective of this sub-scheme is to infuse new technologies, processes, and practices to improve efficiency, cut costs in production process, induce new generation and talent to look at the coir sector as a viable career option. Additionally, the scheme aims to drive innovation in products and techniques to provide new products as well as substitute to prevailing products made from other raw materials like plastic or metal among others.

**Annexure-III referred to in reply to part (f) of the Lok Sabha Unstarred Question No.1455 for answer on 15.12.2022**

Following steps are being taken by Khadi and Village Industries Commission (KVIC) to provide marketing support to Khadi and Village Industries (KVI) units:

- i) The network of KVI Institutions indeed provides a wide platform for sale of products, produced by traditional artisans and craftsmen. It has a wide network of around 8035 “Khadi India” sales outlets across the country including Departmental Sales Outlets and its branches owned by KVIC.
- ii) KVIC has started online selling of all KVI products, which are available to every Indian’s door step through [www.ekhadiindia.com](http://www.ekhadiindia.com) and [www.khadiindia.gov.in](http://www.khadiindia.gov.in).
- iii) KVIC facilitates marketing support by organizing District, State, National level exhibitions where the institutions, entrepreneurs promoted by KVIC can sell and display their products.
- iv) KVIC is arranging product supply/marketing mechanism through e-Market linkage with an objective to link Buyer to Customer.
- v) KVIC through International Cooperation (IC) Scheme of Ministry of MSME provides financial support to MSMEs in participating in International Exhibitions/Trade Fairs etc.
- vi) Publicity of KVI products through print, electronic, digital and social media.