

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3799
TO BE ANSWERED ON 23.03.2023

IMPROVEMENT OF COTTAGE AND SMALL INDUSTRIES

3799. SHRI MITESH RAMESHBHAI PATEL (BAKABHAI):
SHRI RAMESH CHAND BIND:
SHRIMATI SHARDABEN ANILBHAI PATEL:

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

- (a) the details of schemes being run by the Government for improvement of cottage and small industries; and
- (b) the details of facilities being provided by the Government for establishment of cottage industries in various States of the country?

ANSWER

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

(a) & (b): 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 of the Khadi and Village Industries Commission (KVIC) and are broadly classified into six groups for the purpose of implementation of its programmes as follows:

- i. Agro Based & Food Processing Industry (ABFPI)
- ii. Mineral Based Industry (MBI)
- iii. Wellness & Cosmetics Industry
- iv. Handmade Paper, Leather & Plastic Industry (HPLPI)
- v. Rural Engineering and New Technology Industry (RENTI)
- vi. Service Industry

Ministry of MSME is promoting setting up of Village industries and supporting their growth through following schemes:

1. Prime Minister's Employment Generation Programme (PMEGP): PMEGP is a credit-linked subsidy programme implemented by Ministry of MSME, through Khadi and Village Industries Commission (KVIC), for generation of employment opportunities through establishment of micro enterprises in non-farm sector.

Under PMEGP, General Category beneficiaries can avail Margin Money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories, such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Transgenders, Ex-servicemen, Differently Able, beneficiaries belonging to Northeastern Region, Aspirational District, Hill and Border areas, etc., the Margin Money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is Rs.50 lakhs in the manufacturing sector and Rs.20 lakhs in the service sector.

Assistance is given to the existing micro units setup under PMEGP for upgradation through 2nd financial assistance of upto Rs. 1 cr. with subsidy upto 15% (20% for NER and Hill areas). Besides, regular handholding through experts is provided to the existing entrepreneurs on various financial, marketing and operational aspects for scaling up their units.

Under PMEGP, around 80% of the total units are in rural areas, whereas ~14% of total units are in Aspirational districts. Further, nearly 50% of the total units are owned by women and SC/ST entrepreneurs.

Since its inception in 2008, more than 8.64 lakhs enterprises have been assisted generating a total estimated employment of around 70 lakhs. Around Rs. 21,714 cr. has been disbursed till date (as on 20.03.2023) as Margin Money subsidy under PMEGP.

2. Gramodyog Vikas Yojana: KVIC, under various components of the scheme, imparts skill development training to rural and traditional artisans in various industries and provide them with advanced tools and equipment to promote entrepreneurship among rural people:

- i. **Honey Mission** scheme promotes Bee Keeping activities and provide self-sustaining employment opportunities among farmers, adivasies and unemployed youth in rural India, especially in economically backward and remote areas. Under the scheme, beneficiaries are provided with 10 bee boxes with live bee colonies, tool kit and training. From 2017-18 till 2022-23 (31.12.22) - 177039 bee boxes have been distributed to 17823 beekeepers.
- ii. **Kumbhar Sashaktikaran Programme** supports rural potters through distribution of Electric Pottery Wheels along-with other tools and equipment, training, etc. From 2018-19 till 2022-23 (31.01.23) - 24,410 electric pottery wheels have been distributed to trained potters under this programme.
- iii. **Agarbatti Programme** includes oil & soap industry, aromatic oil & fragrances, cosmetic & beauty products, etc. Under the scheme, 10 days training is provided to agarbatti manufacturing artisans through master trainers and are provided with agarbatti machines (automatic and manual), toolkit and equipment to individual beneficiaries/artisans. From 2020-21 till 31.01.2023, 1000 beneficiaries have been trained and provided with pedal operated agarbatti making machine.
- iv. **Leather Footwear activity** provides machine/tools and 25 days training to artisans. From 2018-19 till 09.02.2023, 3094 beneficiaries have been assisted with tools and equipment.

3. Scheme of Fund for Regeneration of Traditional Industries (SFURTI): Under this scheme, traditional industries and artisans are organized into collective manufacturing enterprises for making value added traditional products and provide the artisans with enhanced sustainable employment. Assistance is provided for establishment of Common Facility Centers (CFCs), procurement of new machineries, along with skill upgradation, marketing and design support, etc. The major sectors covered under SFURTI include handicrafts, textiles, bamboo, agro-processing, honey, khadi, coir, etc.

A total of 498 clusters have been approved under SFURTI since 2015-16, with a total Government of India assistance of Rs. 1292.24 cr., directly benefitting 2.94 lakh artisans across the country.

In addition to the above schemes, Ministry/ KVIC provides assistance to existing village/rural industries as given below:

- i. KVIC has started online selling of all KVI products through www.ekhadiindia.com, www.khadiindia.gov.in, leading to enhanced business and creation of additional employment.
- ii. KVIC facilitates marketing support, organise exhibitions where the institutions and entrepreneurs can sell and display their products.
- iii. Selected entrepreneurs and artisans engaged in production of unique and quality products are also given financial assistance to participate in International Exhibitions.