

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4
ANSWERED ON:23.02.2010
DEVELOPMENT OF COTTAGE INDUSTRIES
Pakkirappa Shri S.

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

- (a) whether the Government has any new policy for the development of cottage industry on the basis of labour intensive techniques;
- (b) if so, the details thereof;
- (c) the time by which such policy is likely to be introduced; and
- (d) the target of coverage under this policy?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): The Government in the Ministry of Micro, Small and Medium Enterprises has no new policy as such for the development of cottage industry. However, the Government has been facilitating promotion and development of the sector and enhancing the competitiveness of micro, small and medium enterprises including the development of cottage industries covered under khadi and village industries through labour intensive techniques. The specific schemes/programmes undertaken by the Ministry through Khadi and Village Industries Commission (KVIC) for the development of KVI sector including those in cottage industries include 'Prime Minister's Employment Generation Programme (PMEGP) for setting up micro enterprises in rural and urban areas with attractive levels of subsidy for generation of additional employment opportunities', 'Interest Subsidy Eligibility Certification (ISEC) scheme for providing bank loans to khadi and polyvastra units at subsidized rates of interest', 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment, 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete old machinery and equipments, 'Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' envisaging renovation of selected 30 khadi sales outlets and providing assistance for strengthening of infrastructure of existing 100 weak selected institutions, 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for development of clusters in khadi, village industries and coir sectors' and 'Product Development, Design Intervention & Packaging (PRODIP) for improved design and packaging of khadi garments'.

The Government of India has also been facilitating development of cottage industries in coir sector. In coir producing States, the Government through Coir Board is implementing a number of schemes for the Coir sector, which include financial assistance for setting up of new units and modernization of existing units under Development of Production Infrastructure Scheme, financial assistance to groups of spinners and tiny household workers for replacement of outdated ratts/looms, respectively, and for providing worksheds under Rejuvenation, Modernization and Technology Upgradation of the Coir Industry" (REMOT), training/skill upgradation, Mahila Coir Yojana, domestic market promotion including market development assistance scheme, etc.

(b) to (d): Do not arise.