

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

UNSTARRED QUESTION NO:225
ANSWERED ON:09.11.2010
FINANCIAL ASSISTANCE TO COTTAGE INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the cottage industries in the country are in a poor state:
- (b) if so, the details thereof and the reasons therefor alongwith the reaction of the Government thereto;
- (c) whether the Government has provided any financial assistance to rejuvenate the cottage industries in the country; and
- (d) if so, the details thereof and the total funds granted/released/utilised during each of the last three years and the current year/ State-wise?

Answer

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

(a) & (b): The development and promotion of micro, small and medium enterprises, including cottage industries, is primarily the responsibility of States / Union Territories. The Government (in the Ministry of Micro, Small and Medium Enterprises), however supplements the efforts of the States / Union Territories for development and promotion of micro, small and medium enterprises, including khadi, village and cottage industries, through various schemes / programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial development, etc, throughout the country. The value of production of khadi as well as village industries in the country has been showing an upward trend during the last 4 years. The figures of value of production of khadi and village industries in the country during the last 4 years are given below:

(c) & (d): For regeneration of traditional industries, a scheme, namely, the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is being implemented in the khadi, village and coir sector, which include cottage industries as well. Over 100 clusters in these sectors have been taken up for development under SFURTI.

Release of funds under SFURTI is cluster specific and not made to the States directly. The funds are released to the Nodal Agencies, i.e., the Khadi and Village Industries Commission (KVIC) and Coir Board, which are responsible for holding and disbursing the funds on receipt of utilization certificate and depending on actual physical progress. Funds released to the Nodal Agencies during the last four years and funds earmarked for current year under SFURTI are as under:

YEAR PRODUCTION
(Value Rs. crore)

Khadi Village Industries (Estimated)

2006-07	491.52	13527.19
2007-08	543.39	16134.32
2008-09	585.25	16753.62
2009-10	628.98#	17172.76#

Provisional figures

(Rs. crore)

Year	KVIC	Coir Board	Total
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2006-07	19.03	6.50	25.53
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2007-08	9.04	6.27	15.31
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2008-09	13.45	3.50	16.95
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2009-10	12.00	nil	12.00
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2010-11#	12.75	4.25	17.00
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Funds allocated in BE 2010-11 under SFURTI.