

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

UNSTARRED QUESTION NO:577

ANSWERED ON:24.02.2011

PROMOTION OF SMALL AND COTTAGE INDUSTRIES

Jakhar Shri Badri Ram ;Pakirappa Shri S.;Pandey Saroj

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

- (a) the number of small and cottage industries in the country including Rajasthan, State-wise;
- (b) whether the Union Government has carried out any assessment with regard to total capacity of cottage industries in generating income and employment opportunities;
- (c) if so, the State-wise details thereof;
- (d) the percentage share of small and cottage industry in the Gross Domestic Product of the country;
- (e) the steps taken by the Government to promote small and cottage industries during the last three years and the current year;
- (f) whether the Union Government is contemplating to provide a special package to encourage cottage industries in rural areas; and
- (g) if so, the quantum of financial allocation made in this regard and the time by which it is likely to be made available to the States?

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH )

(a) to (d): State-wise distribution of number of Micro, Small and Medium Enterprises (MSMEs) (including small and cottage industries) as per 4th All India Census of MSMEs, 2006-07 is given in Annex-I. Details of total capacity of cottage industries in generating income and employment opportunities is not maintained centrally in this Ministry. However, based on the National Accounts Statistics published by Central Statistical Office, percentage shares of micro, small and medium enterprises in the total industrial production and Gross Domestic Product of the country were assessed to be 44.86% and 8.72% respectively during 2008-09.

(e to g): Government in the Ministry of Micro, Small and Medium Enterprises has taken a number of steps in recent times, inter alia the following, in order to promote the khadi and village industries and coir sector including small and cottage industries.

i) Assisting first generation entrepreneurs and artisans to establish micro-enterprises by providing margin money subsidy through the credit linked subsidy scheme called the Prime Minister's Employment Generation Programme (PMEGP) with effect from 2008-09. An estimated 9.60 lakh additional opportunities have been created with a margin money assistance of Rs 2,134.06 crore through 96,614 projects since 2008-09 till current year, so far.

ii) Incentivize production and sale of khadi and Polyvastra by introducing the new scheme of Market Development Assistance (MDA) with assistance to khadi institution @ 20% of the value of production to be shared among spinners/weavers, producing institutions and selling institutions in the ratio 25:30:45.

iii) Government of India has tied up funding from Asian Development Bank (ADB) to the tune of US \$ 150 million (around Rs 700 crore) to re-vitalise the khadi sector by implementing Khadi Research and Development Programme (KRDP) through 300 khadi institutions over a period of three years from 2009-10.

iv) Assisting group of spinners and tiny/household units engaged in coir activities through Coir Board to finance projects for replacement of equipment and development of workshops with 40% subsidy and most of the balance amount as term loan from Banks. The budgetary allocation to KVIC and Coir Board under various schemes during the last three years is shown in Annex. II.