

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

UNSTARRED QUESTION NO:2689

ANSWERED ON:29.03.2012

COTTAGE INDUSTRIES

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

- (a) the criteria adopted for census of cottage industries in the village;
- (b) the steps taken by the Government to provide marketing facilities and to protect the said industries against the effect of liberalization;
- (c) the success achieved by the Government in this regard;
- (d) whether there is provision to promote traditional cottage industries through Khadi and Village Industries Commission (KVIC) in the country;
- (e) if so, the details thereof; and
- (f) the details of financial assistance provided to various States including Uttar Pradesh during each of the last three years and the current year. State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) Ministry of Micro, Small and Medium Enterprises has not conducted any census per se of cottage industries in villages.

(b)to(f) Marketing of khadi and village industries (KVI) products including products of cottage industries is primarily undertaken through KVI sales outlets of Khadi and Village Industries Commission (KVIC), State Khadi and Village Industries Boards (KVIBs) and Khadi Institutions (KIs).

KVIC conducts District, State, Zonal as well as National Level exhibitions to showcase and promote KVI products including those of cottage industries. KVIC also participates along with KVI units in International exhibitions to explore overseas markets and promote exports.

Further, KVIC is implementing a 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI)' for developing clusters in KVI sector including cottage industries, inter alia through replacement of equipments, setting-up of common facilities centres, development of innovative products, marketing support, etc. Under SFURTI, so far 29 khadi clusters and 47 village industries (VI) clusters have been developed, including 4 khadi clusters and 3 VI clusters in Uttar Pradesh.

Entrepreneurship is also promoted under a credit-linked subsidy scheme named 'Prime Minister's Employment Generation Programme (PMEGP)'. Under PMEGP, margin money subsidy and entrepreneurship training is provided to beneficiaries for setting up of micro-enterprises in the non-farm sector. The scheme is implemented through field offices of KVIC, KVIBs and District Industries Centres (DICs), with the involvement of Banks. General category beneficiaries can avail of 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, OBC, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to NER, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

From its inception in 2008-09 till 29 February 2012, 1,53,277 micro-enterprises, including those relating to cottage industries, have been provided margin money assistance of Rs. 2809.87 crore under PMEGP to create employment for an estimated 15.14 lakh persons. The State-wise amount of margin money subsidy released, the amount utilised, projects assisted as well as employment generated under PMEGP during the last three years is given in Annexure.