

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

UNSTARRED QUESTION NO:2020
ANSWERED ON:01.12.2009
TRADITIONAL INDUSTRIES
Chavan Shri Harischandra Deoram

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

- (a) whether the condition of the Traditional Industries is in a dismal state;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has provided any financial assistance to improve the condition of such industries; and
- (d) if so, the total funds granted/released 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)to(d): Traditional Industries in India have great potential in terms of production, export and generation of employment. Government of India has taken several measures to tap the potential of such industries. The Government of India (in the Ministry of Micro, Small and Medium Enterprises) is implementing the "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" for regeneration of traditional industry clusters in khadi, village industries and coir sectors over a period of five years beginning with 2005-06. The Scheme envisages need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building, etc. The guidelines of SFURTI are available on the website of the Ministry at www.msme.gov.in.

Release of funds under SFURTI is cluster specific and not to the States directly. The funds are released to the Nodal Agencies, i.e. Khadi and Village Industries Commission (KVIC) and Coir Board, who are responsible for holding and disbursing the funds on receipt of utilisation certificate and depending on actual physical progress. Funds for development of clusters are being kept in a separate account by the Nodal Agencies which are subject to audit. Funds released to the Nodal Agencies during last three years and funds earmarked for current year 2009-10 under SFURTI are as under:

(Rs. crore)

Year	KVIC	Coir	Board	Total
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2006-07	19.03	6.50		25.53
2007-08	9.04	6.27		15.31
2008-09	13.45	3.50		16.95
2009-10#	-	-		17.00

#Funds allocated in BE 2009-10 under SFURTI

Further, a new scheme titled 'Prime Minister's Employment Generation Programme (PMEGP)' has been introduced during 2008-09 which is a significant initiative for setting up micro enterprises (including those in traditional industries sector) in rural and urban areas with attractive levels of subsidy for generation of additional employment opportunities. It is implemented through Khadi and Village Industries Commission (KVIC) as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks.