

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

UNSTARRED QUESTION NO:1042
ANSWERED ON:02.03.2015
PROMOTION OF COTTAGE INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the condition of Cottage Industries in the country particularly in Uttar Pradesh have declined during the last two years;
- (b) if so, the details of the number of industries currently operating and the industries shut down during the said period, State-wise;
- (c) the measures taken by the Government to revive and promote cottage industry in the country including Uttar Pradesh;
- (d) whether the Government plans to establish more cottage industries in the backward regions of country particularly in Uttar Pradesh; and
- (e) if so, the details thereof, State-wise?

Answer

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

(a) to (c): Development of cottage industries is primarily the responsibility of State Governments. However, Government in the Ministry of Micro, Small and Medium Enterprises (MSME) supplements the efforts of State Governments by implementing a number of schemes for the development of khadi, village industries and coir through Khadi and Village Industries commission(KVIC) and Coir Board. These include a major credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) being implemented through Banks since 2008-09 with KVIC as nodal agency at the national level for generating employment in the Country including in Uttar Pradesh by setting up of micro-enterprises in the non-farm sector. State-wise release of margin money subsidy which is treated as target, as also the achievements in term of the margin money subsidy utilized, the corresponding number of projects assisted and estimated employment generated during the last two years is given at Annex I.

Government through KVIC and the Coir Board has also been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI), under which khadi, village industries and coir clusters have been taken up for development by providing them with improved equipments, common facilities centres, business development services, training, capacity building and design and marketing support, etc. 101 clusters (29 Khadi, 47 Village Industries and 25 Coir clusters) have been developed under this scheme. SFURTI Scheme has been revamped in XII plan and 71 clusters with an outlay of Rs. 149.44 crore are proposed to be developed in the 1st phase.

(d) & (e): Under PMEGP, the target to set up 1.03 lakh micro enterprises with a margin money subsidy of Rs 1380 crore creating employment opportunities to an estimated 8.25 lakh persons has been fixed in 2014-15 for the country including backward regions of Uttar Pradesh. State-wise target for 2014-15 under PMEGP is given at Annex II.