

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

UNSTARRED QUESTION NO:2195  
ANSWERED ON:03.08.2015  
SFURTI Scheme  
Kalvakuntla Smt. Kavitha; Lekhi Smt. Meenakashi

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

- (a) the details of the objectives and the status of the revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI) regarding the number of operational clusters at present in the country, State/UT-wise;
- (b) the details of the proposals to build clusters which are in process along with the funds allocated for the purpose during the current year, State/UT-wise; and
- (c) the details of the type and division of clusters under the above scheme, State/ UT-wise?

**Answer**

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

(a): Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is a Cluster based scheme aimed at enhancing competitiveness of traditional industries in KVI sector through replacement of equipment, providing common facilities, product development and other support and services and strengthening cluster governance for their sustainability. The objectives of the scheme are as follows:

- i. To organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;
  - ii. To provide sustained employment for traditional industry artisans and rural entrepreneurs;
  - iii. To enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
  - iv. To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
  - v. To make provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities;
  - vi. To strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
  - vii. To build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries;
  - viii. To look for setting up of multi-product cluster with integrated value chain and a strong market driven approach for viability and long term sustainability of the cluster;
  - ix. To ensure convergence from the design stage with each activity of the cluster formation and operations thereof.
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- x. To identify and understand clusters target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and VI products.
  - xi. To develop specific product lines out of the currently offered diversified basket of heterogeneous products based on the understanding of the target consumer segment. A brand unification exercise also needs to be done to maximize the value.
  - xii. To make a paradigm shift from a supply driven selling model to a market driven model with the right branding, focus product mix and correct positioning and right pricing to make the offering holistic and optimal for each of the focus categories.
  - xiii. To tap the E-Commerce as a major marketing channel given the outreach and the growing market penetration of E-Commerce, there is a need to devise a quick strategy to make its presence felt in the E-Retail space.
  - xiv. To make substantial investment in the area of product design and quality improvement. There is a need to standardise the quality of inputs and processes so that the products meet the quality benchmarks. Research need to be done to develop new textures and finishes to cater to the prevailing market trends.

The guidelines of the revamped SFURTI Scheme have been issued on 30.06.2015. No cluster under the revamped SFURTI Scheme has become operational.

(b)&(c): Under the revamped SFURTI Scheme, there will be 3 categories of clusters. The number of artisans to be covered per cluster along with the budget for the 3 categories of cluster is as under:-

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Type of clusters No. of Artisans Per Cluster Budget Limit (Rs. in crores)

Heritage clusters 1000-2500 8.00

Major clusters 500-1000 3.00

Mini Clusters Upto 500 1.50

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During the financial year 2015-16, the budget provision for SFURTI Scheme is Rs.50 crore. At present, there is no operational cluster in the country under the Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI).