

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

STARRED QUESTION NO:285

ANSWERED ON:10.08.2015

Scheme of Fund for Regeneration of Traditional Industries

Lekhi Smt. Meenakashi

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

- (a) whether the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was conceptualised to make traditional industries more productive and competitive and to facilitate their sustainable development and if so, the details thereof;
- (b) the number of the khadi, coir and village industries clusters sanctioned and currently functional under SFURTI in various States, State-wise;
- (c) the details of the clusters which are yet to be made functional and the reasons therefor, State-wise;
- (d) the budgetary allocation made and funds utilised for SFURTI and the number of artisans benefitted during the current Five Year Plan period; and
- (e) whether the Government has amended the guidelines governing implementation of SFURTI and if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI KALRAJ MISHRA)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) To (e) OF THE LOK SABHA STARRED QUESTION No.* 285 FOR ANSWER ON 10.08.2015

(a): Yes Madam, the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in October 2005 for a period of five years with an approved outlay of Rs 97.25 crore for developing around 100 clusters of khadi, village industries and coir.

(b)&(c): 105 clusters (29 khadi, 50 village industry and 26 coir) were approved of which currently 101 (29 Khadi, 47 village industry and 25 coir) clusters are functional. State-wise list of these clusters is given at Annexure-I A and I-B. The 4 clusters which are non-functional are : 1 Village Industry cluster each in Uttar Pradesh, Tamil Nadu and Gujarat and 1 COIR cluster in Gujarat. In addition, 43 Clusters have been assigned in-principle-approval by the Scheme Steering Committee (SSC) and final approval for these clusters would be considered after their detailed project reports are submitted. (State-wise details are in Annexure-II A and II B).

(d): Under the XII Five Year Plan, in the year 2012-13, Rs.55.42 crore, in 2013-14, Rs. 55.46 crore, in 2014-15, Rs. 60 crore, in 2015-16, Rs. 50 crore had been budgeted. However, there has been no utilization of funds under SFURTI in the XII - Five Year Plan as the Scheme was under revision.

(e): Yes Madam. The guidelines were revised in August, 2014 and in June, 2015. The major changes are as follows:

- (i) The upper limit for financial support for a cluster increased from Rs.75 Lakh to Rs.8 Crore.
- (ii) Earlier, there was provision only for Common Facility Centre; but now there are soft, hard and thematic interventions.
- (iii) The Scheme envisages leveraging resources from Private sector participation and Corporate Social Responsibility funds.
- (iv) The role and responsibility of the Technical Agency (TA) and the Implementing Agency have been emphasized with 8% of the financial support to the TA.
- (v) The creation of Special Purpose Vehicle (SPV) at the cluster level with equity participation to make the cluster self-sustainable even after the withdrawal of the budgetary support.
- (vi) The book value of land to be taken as contribution of the Implementing Agency to the project.
- (vii) Emphasis on backward and forward market linkages for traditional and village industry products and provide a market driven approach;
- (viii) Multiple products may be taken up as far as possible to make the cluster sustainable instead of earlier one product per cluster;
- (ix) The social security and financial inclusion measures initiated by the Union Government are to be provided mandatorily to artisans of the cluster.
- (x) Mini, Major and Heritage clusters are provided funds of Rs. 1.5 crore, Rs. 3 crore and Rs.8 crore respectively.

