

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 985**  
**TO BE ANSWERED ON 17.12.2018**

**PROMOTION OF AGRO-BASED COTTAGE INDUSTRIES**

985. SHRI KANWAR SINGH TANWAR:

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

- (a) the details of various schemes being implemented by the Government for promoting and setting up of agro-based cottage industries in the country;
- (b) the details of job opportunities created by the agro-based cottage industries in the country during each of the last three years and the current year, State/UT-wise;
- (c) the number of agro-based small and cottage industries being operated by the Government along with the contribution made by the Government thereto;
- (d) whether the Government proposes to set up more agro-based cottage industries in the country and if so, the details thereof along with the funds allocated for the purpose and the time by which such industries are likely to be set up, State/UT-wise; and
- (e) the other steps taken/proposed to be taken by the Government to encourage the farmers to set up more agro-based cottage industries in the country?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE)  
FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI GIRIRAJ SINGH)

(a)to(d): Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the following schemes through Khadi and Village Industries Commission (KVIC) and Coir Board for promotion of Agro-based Cottage Industries in the country:

**I. Schemes being implemented by the Ministry:**

i) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) from 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. The Scheme envisages providing 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.

ii) A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE) was launched on 18.3.2015 to promote Innovation and Rural Entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation.

## **II. Schemes being implemented by Khadi and Village Industries Commission (KVIC):**

i) Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIB) and District Industries Centre (DIC). 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 SC/ST/Women/PH/Minorities/Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

ii) Market Promotion Development Assistance (MPDA) – A unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing network of Khadi & VI products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

iii) Interest Subsidy Eligibility Certificate (ISEC) Scheme provides credit at concessional rate of interest through Banks as per the requirement of the Khadi institutions. The institutions are required to pay interest of only 4%, any interest charged by banks over 4% will be paid by the Government of India through KVIC to the banks.

iv) Workshed Scheme for Khadi Artisans was introduced in 2008-09 to provide financial assistance for construction of workshed to khadi artisans belonging to BPL category through the khadi institutions with which the khadi artisans are associated. This empowers khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment.

v) Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure: This scheme provides need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from “D” to “C” category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets. Under this scheme, financial assistance is provided to existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets.

vi) Khadi Reform and Development Programme (KRDP) aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. Under KRDP, restructured amount of US\$ 105 million has been negotiated with Asian Development Bank (ADB) and funds are being provided to the Government of India to be released to KVIC as 'grants-in-aid' under budgetary allocation through the Ministry of MSME. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

### **III. Schemes being implemented by Coir Board:**

Coir Board is implementing the Coir VikasYojana to cater to the multiple developmental needs of coir industry. Interventions under the following components of the Scheme are taken up during the period from 2017-18 to 2019-20.

1. Skill Upgradation and Mahila Coir Yojana (MCY)
2. Coir Industry Technology Upgradation Scheme (CITUS)
3. Export Market Promotion (EMP)
4. Domestic Market Promotion (DMP)
5. Trade and Industry Related Functional Support Services (TIRFSS)
6. Welfare Measures (Group Personal Accident Insurance Scheme)
7. Plan Science & Technology

State-wise details of Margin Money allocated and utilized, job opportunities created and number of units set up under **PMEGP** Scheme during the last three years and current year is placed at **Annexure-I**. State/UT-wise number of beneficiaries benefitted under **Workshed** Scheme during the last three years and current year is placed at **Annexure-II**. State/UT-wise subsidy released and employment generated under Coir Board schemes during the last three years and current year is placed at **Annexure-III**.

(e): The other steps taken by the Government to promote agro-based cottage industries through KVIC is placed at **Annexure-IV**.

**Annexure-I referred to in reply to part (a) to (d) of the Lok Sabha Unstarred Question No. 985 for answer on 17.12.2018**

Year-wise and State-wise details of Margin Money allocated & utilized, job opportunities (including women) created and number of units set up (including by women) under PMEGP Scheme during 2015-16, 2016-17, 2017-18 & 2018-19 (upto 30.11.2018)

Sl. No.	State/UT	2015-16				2016-17			
		Margin money subsidy allocated (Rs.lakh)	Margin money subsidy utilized# (Rs. lakh)	Number of projects assisted	Estimated employment generated (No. of persons)	Margin money subsidy allocated (Rs. lakh)	Margin money subsidy utilized# (Rs. lakh)	Number of projects assisted	Estimated employment generated (No. of persons)
1	Jammu & Kashmir	4006.80	3781.19	2207	12115	3541.26	2621.40	1492	11691
2	Himachal Pradesh	1721.57	1767.26	1077	5134	1970.11	2185.27	941	6916
3	Punjab	3026.80	2902.97	966	7762	3504.09	3181.60	1266	9858
4	UT Chandigarh	90.00	87.72	43	323	100	82.84	47	376
5	Uttarakhand	1909.93	1740.86	1136	6161	2140.93	2122.33	1345	9890
6	Haryana	3747.40	3112.09	1248	7232	3371.31	3383.53	1377	11016
7	Delhi	257.35	254.05	256	2048	300	182.41	119	952
8	Rajasthan	4188.14	4384.07	1988	14537	5500.99	4641.6	1749	13408
9	Uttar Pradesh	17535.32	14456.87	4365	43059	12981.52	14271.05	4074	36315
10	Bihar	7118.59	6588.55	2430	19624	6909.77	8336.51	3234	25872
11	Sikkim	227.38	186.11	110	397	200	35.93	27	201
12	Arunachal Pradesh	200.08	38.85	35	104	500	440.34	301	1984
13	Nagaland	1255.83	1392.81	623	4998	1751.68	2007.48	1018	7783
14	Manipur	2855.92	1213.98	685	2715	1741.7	2162.78	1265	8419
15	Mizoram	924.99	1026.35	1134	9072	1253.49	491.96	425	3400
16	Tripura	2748.26	945.84	642	5355	1578.62	3734.66	2297	17961
17	Meghalaya	1250.62	1056.12	603	4824	1748.1	407.89	329	2632
18	Assam	4969.87	2869.74	3483	9026	5636.41	4910.38	6028	31498
19	West Bengal	4765.49	3400.65	1873	12746	3680.3	6270.32	3528	26604
20	Jharkhand	3462.64	3559.74	1839	12873	4165.73	2654.35	1300	10400
21	Odisha	6282.00	5736.32	2876	17629	5201.65	6848.96	3029	20392
22	Chhattisgarh	4303.80	2829.38	1277	9496	4493.3	4070.73	1598	12856
23	Madhya Pradesh	7729.40	8117.17	1979	16497	8527.32	8346.06	1940	15520
24	Gujarat*	6536.16	6339.73	1419	14960	5398.45	7561.61	1386	11629
25	Maharashtra**	9718.42	5285.03	2497	20161	6111.29	6001.36	2325	17799
26	Andhra Pradesh	4496.85	2262.37	642	7740	2336.59	4916.08	1357	14148
27	Telangana	2094.00	2217.57	660	7761	2004.86	2561.72	664	6445
28	Karnataka	10846.89	5898.01	2140	17284	4941.62	11609.56	3575	30286
29	Goa	159.40	165.43	91	500	371.62	191.44	90	660
30	Lakshadweep	90.00	0.00	0	0	50	00	00	00
31	Kerala	2731.60	2720.48	1369	9653	2446.06	3350.68	1584	13068
32	Tamil Nadu	7110.80	5497.54	2463	20836	5291.23	8213.92	2941	25764
33	Puducherry	100.00	106.37	65	447	150	103.65	66	699
34	A&N Islands	158.00	65.11	119	293	100	193.46	195	1398
	<b>Total</b>	<b>128620.30</b>	<b>102006.33</b>	<b>44340</b>	<b>323362</b>	<b>110000</b>	<b>128093.86</b>	<b>52912</b>	<b>407840</b>

# including un-utilized balance funds of previous year.

\* including Daman &amp; Diu.

\*\* including Dadra &amp; Nagar Haveli

Sl. No.	State/UT	2017-18				2018-19 [upto30.11.2018]			
		Margin money subsidy allocated (Rs. lakh)	Margin money subsidy utilized# (Rs. lakh)	Number of projects assisted	Estimated employment generated (No. of persons)	Margin money subsidy allocated (Rs. lakh)	Margin money subsidy utilized# (Rs. lakh)	Number of projects assisted	Estimated employment generated (No. of persons)
1	Jammu & Kashmir	3272.84	6913.15	3753	30024	4745.12	6788.34	3469	27752
2	Himachal Pradesh	1785.19	2042.5	886	7088	2711.4	1875.29	691	5528
3	Punjab	3272.84	3930.46	1520	12160	4617.17	2316.84	911	7288
4	UT Chandigarh	100.00	90.07	45	360	94.32	39.74	16	128
5	Uttarakhand	1933.95	2880.98	1613	12904	2975.4	2196.67	1155	9240
6	Haryana	3272.84	4167.04	1718	13744	4664.1	2435.94	1003	8024
7	Delhi	300.00	150.65	115	920	282.96	69.33	48	384
8	Rajasthan	4909.26	4929.04	1577	12614	7743.65	3701.09	1202	9616
9	Uttar Pradesh	11157.41	16866.47	5432	43456	19171.59	11675.2	3236	25888
10	Bihar	5653.09	6558.85	2307	18456	10869.49	4153.6	1347	10776
11	Sikkim	200.00	46.36	37	296	188.64	42.94	25	200
12	Arunachal Pradesh	500.00	309.42	209	1672	471.6	271.84	187	1496
13	Nagaland	1728.96	2672.15	930	7440	2825.5	776.03	412	3296
14	Manipur	1434.32	1383.87	600	4800	2544.19	961.86	585	4680
15	Mizoram	1245.66	274.05	249	1992	2045.45	567.68	417	3336
16	Tripura	1283.75	1892.3	1116	8928	1965.99	777.43	363	2904
17	Meghalaya	1720.32	118.27	75	600	2653.7	278.77	184	1472
18	Assam	5351.99	2362.48	2282	18256	10507.7	2137.03	2053	16424
19	West Bengal	2975.31	3891.37	1366	10928	6423.74	3866.92	1316	10528
20	Jharkhand	3570.37	2439.53	1111	8888	6193.49	1415.49	559	4472
21	Odisha	4462.97	5680.65	2399	19192	7719.19	3595.65	1476	11808
22	Chhattisgarh	4016.67	3398.4	1463	11704	6339.11	3231.88	1474	11792
23	Madhya Pradesh	7587.04	7631.41	1804	14432	11952.9	4064.38	1005	8040
24	Gujarat*	4909.26	12883.63	1876	15008	7501.95	12828.44	1811	14488
25	Maharashtra**	5355.56	8749.73	3329	26632	8833.6	7146.99	2745	21960
26	Andhra Pradesh	1933.95	5336.1	1527	12216	3742.74	4609.57	1126	9008
27	Telangana	4611.73	4030.21	1190	9520	7250.96	3148.38	930	7440
28	Karnataka	4462.97	6477.94	2115	16920	6939.66	5560.67	1920	15360
29	Goa	297.53	149.07	50	400	605.15	84.94	29	232
30	Lakshadweep	100.00	00	00	00	47.16	0	0	0
31	Kerala	2082.72	2910.44	1347	10776	3667.38	2480.84	1190	9520
32	Tamil Nadu	4760.50	9717.58	4095	32760	7438.88	6757.82	2543	20344
33	Puducherry	100.00	78.95	44	352	141.48	94.98	46	368
34	A&N Islands	100.00	276.95	218	1744	188.64	177.24	133	1064
	<b>Total</b>	<b>100449</b>	<b>131240.07</b>	<b>48398</b>	<b>387182</b>	<b>166064</b>	<b>100129.81</b>	<b>35607</b>	<b>284856</b>

# including un-utilized balance funds of previous year.

\* including Daman & Diu.

\*\* including Dadra & Nagar Haveli

**Annexure-II****Annexure-II referred to in reply to part part (a) to (d) of the Lok Sabha Unstarred Question No.985for answer on 17.12.2018**

State/UT-wise Number of beneficiaries benefitted under **Workshed Scheme** during the last three years and current year

Sl.No.	Name of State/UT	2015-16	2016-17(P)	2017-18(P)	2018-19(P) (upto 30.11.2018)
1	Delhi	0	0	0	0
2	Jammu	0	0	0	0
3	Himachal Pradesh	0	20	120	50
4	Haryana	55	220	51	0
5	Chandigarh (UT)	10	20	65	0
6	Rajasthan	10	115	0	0
7	Madhya Pradesh	20	20	20	0
8	Chhattisgarh	236	120	0	0
9	Uttarakhand	25	25	0	0
10	Uttar Pradesh	310	1385	1300	274
11	Karnataka	0	115	380	75
12	Tamil Nadu	57	70	100	50
13	Telangana	0	65	80	0
14	Andhra Pradesh	50	200	113	20
15	Maharashtra	34	45	20	25
16	Kerala	25	280	245	0
17	Gujarat	50	200	0	0
18	Goa	0	0	0	0
19	West Bengal	140	100	100	0
20	Bihar	0	20	0	30
21	Jharkhand	30	50	0	0
22	Odhisha	25	80	80	0
23	Assam	193	183	170	0
24	Nagaland	0	0	30	0
25	Tripura	0	0	0	0
26	Manipur	0	0	0	0
27	Meghalaya	0	0	0	0
28	Sikkim	0	0	0	0
29	Arunachal Pradesh	0	0	0	0
30	Mizoram	0	0	0	0
<b>Total</b>		<b>1270</b>	<b>3333</b>	<b>2874</b>	<b>524</b>

P-Provisional

**Annexure-III referred to in reply to part (a) to (d) of the Lok Sabha Unstarred Question No. 985 for answer on 17.12.2018**

**State-wise details of Subsidy released under MCY#**

(Rs. in lakhs)

Sl. No.	State	2015-16	2016-17	2017-18	2018-19* (up to 30.11.2018)
1	Tamil Nadu	-	-	-	-
2	Kerala	11.15	2.66	3.19	-
3	West Bengal	2.05	-	-	-
	<b>Total</b>	<b>13.20</b>	<b>2.66</b>	<b>3.19</b>	-

# MCY has been merged with PMEGP w.e.f. FY 2018-19

**State-wise details of Subsidy released under DPI/CITUS@**

(Rs.in Lakhs)

Sl. No.	State	2015-16	2016-17	2017-18	2018-19* (up to 30.11.2018)
1	Tamil Nadu	86.58	72.00	177.45	7.98**
2	Karnataka	-	-	15.73	-
3	Gujarat	-	-	-	-
4	AP & Telangana	-	-	8.36	-
5	Odisha	2.00	-	5.00	-
6	Kerala	6.73	-	8.99	-
	<b>Total</b>	<b>95.31</b>	<b>72.00</b>	<b>215.53</b>	<b>7.98</b>

@DPI has been replaced with CITUS w.e.f. FY 2018-19

\*\*under DPI

**State-wise details of Subsidy released under CUY**

(Rs.in crores)

Sl. No.	State/UT	2015-16	2016-17	2017-18	2018-19* (up to 30.11.2018)
1	Kerala	1.84	1.79	1.45	0.57
2	Tamil Nadu	6.24	5.40	3.61	4.05
3	A&N Islands	0.00	0.08	0.00	0.00
4	Karnataka	0.04	1.64	0.94	0.20
5	Maharashtra	0.00	0.15	0.14	0.02
6	Gujarat	0.00	0.16	0.00	0.00
7	Andhra Pradesh	2.16	2.29	0.33	0.62
8	Odisha	1.46	0.92	0.31	0.22
9	West Bengal	0.14	0.31	0.23	0.07
10	N.E Region	0.05	0.10	0.00	0.00
	<b>Total</b>	<b>11.93</b>	<b>12.84</b>	<b>7.01</b>	<b>5.75</b>

**Number of employment opportunities generated in coir industry**

Sl. No.	State	2015-16	2016-17	2017-18	2018-19* (up to 30.11.2018)
1.	Kerala	1312	861	1629	12
2.	Tamil Nadu	1483	2383	1059	395
3.	Karnataka	102	432	287	8
4.	Andhra Pradesh	879	652	193	248
5.	Odisha	325	225	375	216
6.	Others	108	226	89	54
	<b>Total</b>	<b>4209</b>	<b>4779</b>	<b>3632</b>	<b>933</b>

\*Provisional

**Annexure-IV referred to in reply to part (e) of the Lok Sabha Unstarred Question No. 985 for answer on 17.12.2018**

To promote Agro-based Cottage Industries in the country, following steps have also been taken by the Government through KVIC:

- i) The handholding support is being provided to the Khadi Institutions and Village Industries Units for availing financial assistance from the Banks under the Scheme namely Prime Minister's Employment Generation Programme (PMEGP) and SFURTI.
- ii) To overcome the marketing challenges of Khadi and Village Industries Units, KVIC organize exhibitions at District level, State level and National level and invites beneficiaries to exhibit and sale their products.KVI Units are also supported by the KVIC with the financial assistance to participate in International Exhibitions.
- iii) Financial assistance being provided for the renovation/modernization of Sales Outlets of institutions and State Khadi and Village Industries Boards under the scheme of "Assistance for Marketing Infrastructure".
- iv) To start Khadi Programme by new entrepreneurs, an online portal for obtaining "Khadi Certificate" has been launched. One can apply online for obtaining Khadi Certificate.
- v) In addition, the Ministry aims to promote the cottage industries in the country by encouraging and providing the artisans a platform to showcase their products in various forums such as District level, State level and National level exhibitions and fairs. The best products and processes are also being supported to be performed outside the country through schemes such as Market Promotion and Development Assistance (MPDA). Ministry through KVIC also provides different skill training to the potential entrepreneurs through the 39 Multi-Disciplinary Training Centres (MDTC) of KVIC and RSETIs. The enterprises can also avail benefits of other schemes of the Ministry such as assistance for ISO Certification, Bar Codes, etc.

In addition to the above, the following steps have also been taken under the PMEGP:

- (a) To boost the marketing of KVI products, 10% of financial allocations for trading activities i.e. business/trading activities in the form of sales outlets will be permitted in NER, LWE – affected districts and A&N Island.
- (b) Retail outlets/business: Selling Khadi and Village Industry (KVI) products procured from KVI Institutions certified by KVIC and products manufactured by PMEGP/SFURTI units only permitted under PMEGP across the country.
- (c) Relaxation in per capita investment from Rs.1.00 lakh to Rs.4.50 lakh has been given to A&N Islands and Lakshadweep.
- (d) Inclusive of Farm/Farm Linked activities and serving/selling non-vegetarian food at Hotels/Dhabas and Coir activities.
- (e) Beneficiary may opt for covering the project under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme by paying requisite CGTMSE fees.