

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA  
UNSTARRED QUESTION NO. 4327  
TO BE ANSWERED ON 07.01.2019

**PROMOTION OF COTTAGE INDUSTRIES**

4327. SHRI JUGAL KISHORE:  
SHRIMATI RITI PATHAK:  
SHRI LAXMAN GILUWA:  
SHRI VIJAY KUMAR HANSDAK:

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

- (a) whether the entrepreneurs related to cottage industries are being trained in the country and if so, the details thereof, State-wise including Madhya Pradesh and Jammu & Kashmir;
- (b) whether any action has been taken to modernize the cottage industry in the country and if so, the details thereof, State-wise, including Madhya Pradesh and Jammu & Kashmir;
- (c) the details of products including food products processed by the cottage industries in the country during each of the last three years and the current year, State/ UT-wise;
- (d) whether cottage industries in villages are gradually disappearing due to liberalization and if so, the details thereof and the criteria set for defining and reckoning cottage industries in villages; and
- (e) the steps taken by the Government to provide market to cottage industries and to save them from liberal market forces along with the outcome thereof?

**ANSWER**

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

(a): Khadi & Village Industries Commission through its 40 Training Centres, 18 Departmental and 22 Non-Departmental Training Centers provides training in different parts of the country including Madhya Pradesh and Jammu & Kashmir. Some of the Training modules are: Khadi technology course, spinning & weaving, handmade paper manufacturing, pottery technology, carpentry & wood, tailoring & embroidery, silk reeling & spinning, garment making, Bamboo Article making, Motor Winding course, Screen Printing course, Beekeeping course, Palm Gur and palm leaf fancy articles, Charka Mechanic course. The details of trainees trained through these training centres during the year 2017-18 is placed at **Annexure-I**.

(b): Ministry of MSME is implementing the following schemes through Khadi and Village Industries Commission (KVIC) and Coir Board for promotion and to modernize 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.

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-II**.

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) 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.

v) 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.

In addition to the above, KVIC also regularly conducts Pottery skill up-gradation training programme to the rural pottery artisans of weaker category in the country by providing advance pottery technologies and replaced the old pottery equipments i.e. traditional stone pottery wheels of artisans under promotional activities of KVIC. During the current year, KVIC is providing assistance to 07 clusters for development of pottery at Varanasi, Nagpur, Madurai, Bhubaneswar, Jammu & Kashmir, Guwahati and New Delhi.

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

Coir Board is implementing the Coir Vikas Yojana to cater to the multiple developmental needs of coir industry. Interventions under the following components of the Scheme are taken up to promote the Coir industry:

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/UT-wise subsidy released and employment generated under Coir Board schemes during the last three years and current year is placed at **Annexure-III**.

(c): KVIC does not maintain the details of the products including food products processed by the cottage industries as the cottage industry is largely in the unorganized sector. However, based on the loans taken under PMEGP by various village industry units, some of the products are as under:

**Agro based Food Processing Industries (ABFPI)-** Food products like papad, pickle, bread, biscuits, garammasala, jam & jellies, palm candy, palm gur, palm sugar, khandsari, edible oils, 15 different types of spices, bakery products, whole wheat biscuits, bread, Pav, etc

**Forest Based Industry (FBI):** Herbal products, Honey, Bee-wax, medicinal oils, balm, etc.

**Hand Made Paper & Fibre Industry (HMPFI):** handmade paper, boards, paper envelop, files, file covers, writing pads, visiting cards and fibre base products like Rassi (handmade paper mixed with fiber), handicrafts, decorative items, etc.

**Mineral Based Industry (MBI)** includes pottery, plaster of Paris products, stone crushing, idols making, chalks, terracotta products, etc.

**Polymer and Chemical Based Industry (PCBI)** includes Leather products like footwear, belts, purses, jackets, Non-edible Oil, Soap Industry, detergent powder, candle, Cottage Match and Agarbatti, Plastic items etc.

**Rural Engineering and Bio-Technology Industry (REBTI):** Furniture, Amirah, tools equipment etc.

(d): No Madam. Sales, production and job opportunities in Khadi and Village Industries sector during the last three years is as follows, which shows an increasing trend of Khadi & Village Industries Sector:

(Rs. in crore and Employment in lakh persons)

Sl. No.	Particulars	2015-16	2016-17	2017-18
<b>I.</b>	<b>PRODUCTION</b>			
A	Khadi (incl.Polyvastra)	1158.44	1520.83	1626.66
B	Village Industries	33331.78	41110.26	46454.75
	<b>Total-I</b>	<b>34490.22</b>	<b>42631.09</b>	<b>48081.41</b>
<b>II.</b>	<b>SALES</b>			
A	Khadi (incl.Polyvastra)	1663.98	2146.60	2510.21
B	Village Industries	40230.58	49991.61	56672.22
	<b>Total-II</b>	<b>41894.56</b>	<b>52138.21</b>	<b>59182.43</b>
<b>III.</b>	<b>EMPLOYMENT</b>			
A	Khadi (incl.Polyvastra)	11.57	4.56*	4.65*
B	Village Industries	126.26	131.84	135.71
	<b>Total-III</b>	<b>137.83</b>	<b>136.40</b>	<b>140.36</b>

\*Aadhaar seeded

(e): The steps taken by the Government to provide market facilities to cottage industries through KVIC is placed at **Annexure-IV**.

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Annexure-I

**Annexure-I referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 4327 for answer on 07.01.2019**

**State-wise number of persons trained under Skill Development Programme (SDP) and Entrepreneurship Awareness Programme (EAP) by KVIC's Training Centres during the year 2017-18**

S. No.	State	SDP	EAP
1.	New Delhi	985	2519
2.	<b>Jammu &amp; Kashmir</b>	<b>325</b>	<b>394</b>
3.	Bihar	1401	-
4.	Odisha	119	-
5.	West Bengal	1257	1025
6.	Arunachal Pradesh	18	-
7.	Assam	717	1119
8.	Mizoram	480	-
9.	Nagaland	317	751
10.	Andhra Pradesh	3079	3391
11.	Karnataka	6936	1155
12.	Kerala	1926	2705
13.	Tamil Nadu	2273	2689
14.	Maharashtra	5224	9358
15.	<b>Madhya Pradesh</b>	<b>791</b>	<b>2336</b>
16.	Uttar Pradesh	2134	1869
17.	Uttarakhand	1826	1144
	<b>Total</b>	<b>29808</b>	<b>30455</b>

**Annexure-II referred to in reply to part (b) of the Lok Sabha Unstarred Question No. 4327 for answer on 07.01.2019**

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 & Diu.

\*\* including Dadra & 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-III referred to in reply to part (b) of the Lok Sabha Unstarred Question No. 4327 for answer on 07.01.2019**

**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 CITUSw.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. 4327 for answer on 07.01.2019**

To provide market facilities to Cottage Industries in the country, following steps have also been taken by the Government through KVIC:

- i) 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.
- ii) Marketing is taken up through a wide network of 8,058 KVIC Sales Outlets including 23 Departmental Sales Outlets (DSOs) with its branches, and 8035 Khadi Outlets belonging to the Khadi Institutions throughout the Country.
- 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) To showcase and promote the product range of KVI sector, an exclusive web portal developed by KVIC to cater to domestic and international buyers.

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 Islands.
- (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.