

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO.2235
TO BE ANSWERED ON 01.01.2018

PROMOTION OF COTTAGE AGRO-BASED RURAL INDUSTRIES

2235. SHRI SHARAD TRIPATHI:
SHRIMATI HEMA MALINI:
SHRI NIHAL CHAND:
SHRI RAMESH BIDHURI:
SHRI RAJU SHETTY:

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

- (a) the details of the schemes being implemented by the Government for promotion of cottage and agro-based rural industries through Khadi and Village Industries Commission (KVIC) in the country;
- (b) whether the Government grants financial packages to the KVIC for modernisation and development of the said industries;
- (c) if so, the details thereof along with the number of persons including women benefitted therefrom during each of the last three years and the current year, State/UT-wise;
- (d) whether the Government has received proposals from various State Governments for revamping the said industries in their States, if so, the details and the status thereof, State/UT-wise; and
- (e) the other steps taken by the Government to promote the said industries in the country?

ANSWER

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

(a): Ministry of MSME is implementing the following schemes through Khadi and Village Industries Commission (KVIC) for promotion of cottage and agro-based rural industries in the country:

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) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters.

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

iv) 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%).

v) 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.

vi) 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.

vii) 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.

viii) 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

ix) AamAdmiBimaYojana (erstwhile JanashreeBimaYojana): KVIC in association with LIC is implementing the AABY scheme to provide insurance cover to Khadi artisans against normal and accidental death and disability. Premium is shared between KVIC (12.5%), Khadi institutions (25%), artisans (12.5%) and Govt. of India (50%), Khadi Artisans belonging to the age group of 18 to 59 years are provided insurance cover for the following:

- | | |
|---|-----------------|
| (i) Death (natural) | : Rs. 30,000.00 |
| (ii) Death (accidental) | : Rs. 75,000.00 |
| (iii) Disability (permanent) | : Rs. 75,000.00 |
| (iv) Disability (partial) | : Rs. 37,500.00 |
| (v) Educational Benefits (ShikshaSahayogYojana) | : |

Two children of Khadi Artisan who are studying in standard IX to XII including Industrial Training Institutes (ITIs) are eligible for scholarship of Rs.300/- per quarter.

(b)&(c): Government has no specific scheme for modernization and development of cottage and agro-based rural industries. State-wise details of Margin Money allocated and utilized, job opportunities (including women) 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** and **AABY** during the last three years and current year is placed at **Annexure-II**.

(d): There is no scheme/programme being implemented by KVIC for revamping the cottage and agro-based rural industries and no proposal received from the State Governments in this regard. However, Khadi and Village Industries programme is being implemented uniformly all over the country.

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

Annexure-I**Annexure-I referred to in reply to part (b)&(c) of the Lok Sabha Unstarred Question No. 2235 for answer on 01.01.2018**

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 2014-15, 2015-16, 2016-17 & 2017-18

Sl. No.	State/UT	<u>2014-15</u>				<u>2015-16</u>			
		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	2919.5	3274.63	1565	11025	4006.80	3781.19	2207	12115
2	Himachal Pradesh	1687.45	2237.73	1244	6352	1721.57	1767.26	1077	5134
3	Punjab	2611.49	3190.88	1153	6438	3026.80	2902.97	966	7762
4	UT Chandigarh	287.99	61.46	36	160	90.00	87.72	43	323
5	Uttarakhand	1882.35	2153.32	1333	7889	1909.93	1740.86	1136	6161
6	Haryana	2716.36	3012.98	1175	7024	3747.40	3112.09	1248	7232
7	Delhi	1061.04	189.24	198	1584	257.35	254.05	256	2048
8	Rajasthan	5369.78	5249.62	1976	15002	4188.14	4384.07	1988	14537
9	Uttar Pradesh	13239.41	16937.53	4891	48604	17535.32	14456.87	4365	43059
10	Bihar	8277.14	4111.32	1639	9240	7118.59	6588.55	2430	19624
11	Sikkim	541.34	33.52	16	54	227.38	186.11	110	397
12	Arunachal Pradesh	1793.42	1004.99	652	2871	200.08	38.85	35	104
13	Nagaland	1563.64	878.59	416	2407	1255.83	1392.81	623	4998
14	Manipur	1403.65	1600.76	747	829	2855.92	1213.98	685	2715
15	Mizoram	1043.39	807.98	817	6736	924.99	1026.35	1134	9072
16	Tripura	985.02	1333.65	787	6333	2748.26	945.84	642	5355
17	Meghalaya	1184.8	971.14	555	3680	1250.62	1056.12	603	4824
18	Assam	5388.74	5397.01	5015	15535	4969.87	2869.74	3483	9026
19	West Bengal	4396.32	6010.11	3397	24646	4765.49	3400.65	1873	12746
20	Jharkhand	4547.06	2871.29	1699	8495	3462.64	3559.74	1839	12873
21	Odisha	5621.47	3945.89	2013	10211	6282.00	5736.32	2876	17629
22	Chhattisgarh	3474.41	2045.68	847	5821	4303.80	2829.38	1277	9496
23	Madhya Pradesh	8182.74	9241.70	2737	21896	7729.40	8117.17	1979	16497
24	Gujarat*	4246.72	6200.52	1289	18107	6536.16	6339.73	1419	14960
25	Maharashtra**	6299.38	7843.81	3469	28311	9718.42	5285.03	2497	20161
26	Andhra Pradesh	2667.87	3492.11	937	12220	4496.85	2262.37	642	7740
27	Telangana	1954.44	1889.35	604	6604	2094.00	2217.57	660	7761
28	Karnataka	4412.99	6479.10	2431	21825	10846.89	5898.01	2140	17284
29	Goa	466.91	141.76	78	406	159.40	165.43	91	500
30	Lakshadweep	704.68	28.61	31	93	90.00	0.00	0	0
31	Kerala	2206.51	2679.28	1344	9738	2731.60	2720.48	1369	9653
32	Tamil Nadu	4824.96	6733.89	2858	36190	7110.80	5497.54	2463	20836
33	Puducherry	749.95	112.10	58	386	100.00	106.37	65	447
34	A&N Islands	593.09	92.32	161	790	158.00	65.11	119	293
	Total	109306	112253.87	48168	357502	128620.30	102006.33	44340	323362

including un-utilized balance funds of previous year.
Haveli

* including Daman & Diu. ** including Dadra & Nagar

Sl. No.	State/UT	2016-17				2017-18 [upto 30.11.2017]			
		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	3541.26	2621.40	1492	11691	3272.84	2623.82	1355	10840
2	Himachal Pradesh	1970.11	2185.27	941	6916	1785.19	815.97	352	2816
3	Punjab	3504.09	3181.60	1266	9858	3272.84	1887.34	764	6112
4	UT Chandigarh	100	82.84	47	376	100.00	40.12	20	160
5	Uttarakhand	2140.93	2122.33	1345	9890	1933.95	909.46	496	3968
6	Haryana	3371.31	3383.53	1377	11016	3272.84	1940.23	780	6240
7	Delhi	300	182.41	119	952	300.00	58.14	42	336
8	Rajasthan	5500.99	4641.6	1749	13408	4909.26	2129.67	642	5136
9	Uttar Pradesh	12981.52	14271.05	4074	36315	11157.41	7781.12	2615	20920
10	Bihar	6909.77	8336.51	3234	25872	5653.09	2490.50	876	7008
11	Sikkim	200	35.93	27	201	200.00	15.69	15	120
12	Arunachal Pradesh	500	440.34	301	1984	500.00	192.34	133	1064
13	Nagaland	1751.68	2007.48	1018	7783	1728.96	1815.33	722	5776
14	Manipur	1741.7	2162.78	1265	8419	1434.32	684.80	311	2488
15	Mizoram	1253.49	491.96	425	3400	1245.66	107.61	98	784
16	Tripura	1578.62	3734.66	2297	17961	1283.75	757.21	428	3424
17	Meghalaya	1748.1	407.89	329	2632	1720.32	71.69	41	328
18	Assam	5636.41	4910.38	6028	31498	5351.99	1380.27	1503	12024
19	West Bengal	3680.3	6270.32	3528	26604	2975.31	2156.46	790	6320
20	Jharkhand	4165.73	2654.35	1300	10400	3570.37	758.56	337	2696
21	Odisha	5201.65	6848.96	3029	20392	4462.97	2753.41	1195	9560
22	Chhattisgarh	4493.3	4070.73	1598	12856	4016.67	1312.61	504	4032
23	Madhya Pradesh	8527.32	8346.06	1940	15520	7587.04	2802.73	656	5248
24	Gujarat*	5398.45	7561.61	1386	11629	4909.26	7863.74	1148	9184
25	Maharashtra**	6111.29	6001.36	2325	17799	5355.56	4474.27	1693	13544
26	Andhra Pradesh	2336.59	4916.08	1357	14148	1933.95	3298.36	972	7776
27	Telangana	2004.86	2561.72	664	6445	4611.73	2129.40	642	5136
28	Karnataka	4941.62	11609.56	3575	30286	4462.97	4136.10	1309	10472
29	Goa	371.62	191.44	90	660	297.53	65.29	24	192
30	Lakshadweep	50	00	00	00	100.00	00	00	00
31	Kerala	2446.06	3350.68	1584	13068	2082.72	1028.40	445	3560
32	Tamil Nadu	5291.23	8213.92	2941	25764	4760.50	4425.08	1877	15016
33	Puducherry	150	103.65	66	699	100.00	36.80	26	208
34	A&N Islands	100	193.46	195	1398	100.00	129.87	107	856
	Total	110000	128093.86	52912	407840	100449	63072.39	22918	183344

including un-utilized balance funds of previous year * including Daman & Diu.

** including Dadra & Nagar Haveli

Annexure-II referred to in reply to part (b)&(c) of the Lok Sabha Unstarred Question No. 2235 for answer on 01.01.2018

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

Sl.No.	Name of State/UT	2014-15	2015-16	2016-17(P)	2017-18(P)
1	Delhi	0	0	0	0
2	Jammu	0	0	0	0
3	Himachal Pradesh	160	0	20	120
4	Haryana	225	55	220	51
5	Chandigarh (UT)	30	10	20	65
6	Rajasthan	0	10	115	0
7	Madhya Pradesh	90	20	20	20
8	Chhattisgarh	210	236	120	0
9	Uttarakhand	18	25	25	0
10	Uttar Pradesh	1104	310	1385	1300
11	Karnataka	90	0	115	380
12	Tamil Nadu	250	57	70	100
13	Telangana	0	0	65	80
14	Andhra Pradesh	110	50	200	113
15	Maharashtra	60	34	45	20
16	Kerala	110	25	280	245
17	Gujarat	200	50	200	0
18	Goa	0	0	0	0
19	West Bengal	565	140	100	100
20	Bihar	200	0	20	0
21	Jharkhand	0	30	50	0
22	Odisha	100	25	80	80
23	Assam	380	193	183	170
24	Nagaland	0	0	0	30
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
Total		3902	1270	3333	2874

P-Provisional

State/UT-wise Number of artisans covered under **Aam Admi BimaYojana Scheme** during the last three years and current year

Sl. No.	State	2014-15	2015-16	2016-17(p)	2017-18*(p)
1.	Jammu & Kashmir	3814	2718	2718	4200
2.	Himachal Pradesh	1194	1077	1077	57
3.	Punjab	4777	4118	4118	2532
4.	UT Chandigarh	-	0	-	-
5.	Haryana	29438	29932	29932	9456
6.	Delhi	926	930	930	817
7.	Rajasthan	16959	13327	13327	14827
8.	Uttarakhand	10310	10239	10230	3022
9.	Uttar Pradesh	127767	127767	127656	84940
10.	Chhattisgarh	2339	2339	2339	4881
11.	Madhya Pradesh	1315	1296	1296	165
12.	Sikkim	-	0	0	0
13.	Arunachal Pradesh	18	16	16	8
14.	Nagaland	180	180	180	54
15.	Manipur	71	153	153	248
16.	Mizoram	-	0	0	0
17.	Tripura	-	0	0	0
18.	Meghalaya	16	29	29	34
19.	Assam	3973	3767	3656	4908
20.	Bihar	6736	6614	6614	2486
21.	West Bengal	23517	23517	22207	17227
22.	Jharkhand	1588	1588	1588	1568
23.	Odisha	2817	2492	2491	2639
24.	A&N Islands	-	0	0	0
25.	Gujarat	10314	10267	10167	8375
26.	Maharashtra	950	950	950	746
27.	Goa	-	0	0	0
28.	Andhra Pradesh	6421	7786	7686	4885
29.	Telangana	1381	1238	1234	1194
30.	Karnataka	15634	15634	15620	10749
31.	Lakshadweep	-	0	0	0
32.	Kerala	9760	9760	9764	11770
33.	Tamil Nadu	10332	10264	10200	9679
34.	Puducherry	-	0	0	0
Total		292547	287998	286178	201467

(P) Provisional

*AABY is under convergence in Pradhan Mantri Jeevan Jyoti BimaYojana (PMJJBY)/Pradhan Mantri Suraksha BimaYojana (PMSBY), as of now 201467 artisans are given their details to local LIC offices for the year 2017-18.

Annexure-III referred to in reply to part (e) of the Lok Sabha Unstarred Question No. 2235 for answer on 01.01.2018

To promote Cottage and Agro-based Rural 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) Under the PMEGP Scheme, any individual can avail credit from Banks to set up micro-enterprise in the non-farm sector. General category beneficiaries can avail of margin money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SCs, STs, OBCs, minorities, women, ex-servicemen, physical handicapped, beneficiaries belonging to NER, hill and border areas, etc., the MM subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is ₹ 25 lakh in the manufacturing sector and ₹ 10 lakh in the service sector.
- iii) Ministry through the KVIC has also been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which khadi and village industries 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.
- iv) 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.
- v) Under the Interest Subsidy Eligibility Certificate (ISEC) Scheme the Khadi Institutions can avail loan to cater the working capital need on the concessional Interest Rate. Under this scheme interest @ 4% Per annum is to be paid by the Khadi institution and balance i.e. actual lending rate minus 4% is to be paid by KVIC from budgetary source provided by Government of India.
- vi) 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".
- vii) 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.
- viii) To overcome the marketing challenges of Khadi and Village Industries Units, KVIC organized exhibitions at district level, State level and National level and also invites beneficiaries to exhibit and sale their products. KVI Units are also supported with financial assistance to participate in International Exhibitions.
- ix) 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.