

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO.2723**  
**TO BE ANSWERED ON 12.03.2018**

**PROMOTION OF AGRO-BASED COTTAGE INDUSTRIES**

2723. SHRI SANTOSH KUMAR:  
SHRI NIHAL CHAND:  
DR. RATNA DE (NAG):  
SHRI HARI OM PANDAY:  
SHRIMATI RITI PATHAK:  
SHRI MANOJ TIWARI:

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

- (a) the details of the various schemes being implemented by the Government to promote and establish agriculture-based cottage industries in the country;
- (b) whether the Government proposes to establish more such industries in the country;
- (c) if so, the details thereof along with the funds/special financial package allocated/ granted for the purpose and number of employment opportunities generated therefrom during each of the last three years and the current year, State/UTwise; and
- (d) the other steps taken/proposed to be taken by the Government to encourage the farmers to establish such more industries in the country?

**ANSWER**

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

(a): 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) 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) 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.

iii) 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.

#### **I. Khadi and Village Industries Commission (KVIC):**

i) 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%).

ii) 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.

iii) 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.

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

## **II. 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 during the period from 2017-18 to 2019-20.

1. Skill Upgradation and Mahila Coir Yojana (MCY): Development of skilled manpower in coir industry in different facets of coir production and processing through appropriate training programmes, seminars, workshops, awareness programmes, exposure visits etc. is the major objective under Skill Upgradation and Mahila Coir Yojana (MCY). Only trainings to the unemployed women will be provided under Mahila Coir Yojana. EDP, National Seminar, Awareness programme, Workshop, Exposure Tour may also be provided under Mahila Coir Yojana. The financial assistance for procurement of equipments/machineries may be obtained under the PMEGP scheme by the trained women for setting up coir units. Priority will be given to the trained women under PMEGP. Under skill upgradation and Mahila Coir Yojana honorarium shall be kept as Rs.15, 000/-p.m. for trainer and Rs.3000/-p.m. for trainee subject to the norms of NSQF compliance.

2. Coir Industry Technology Upgradation Scheme (CITUS): In the wake of the need for adoption of the modernisation happening in the sector and to encourage entrepreneurs to start coir processing unit of optimum/ economic size, the present level of assistance is found to be inadequate. Accordingly, a new component titled CITUS is proposed in the umbrella scheme replacing the existing Development of Production Infrastructure (DPI). The scheme shall be applicable for small and medium coir units only. The Scheme could be availed for both green field and brown field projects. The Project cost considered for subsidy would be exclusively for plant and machinery. No building/ land cost will be added in the project cost. The project can be setup a fresh or existing project may be considered for upgradation/ adoption of technology. The quantum of assistance to be disbursed as Government assistance (subsidy) is 25% of the investment in plant and machinery subject to a maximum of Rs.2.5 crore per unit.

3. Export Market Promotion (EMP): This programme is aimed towards developing and improving the export performance of Indian Coir Sector through various export market promotion activities such participation in Buyer Seller Meet, sponsoring delegations, participation in seminars and conferences abroad, organising participation in international fairs, extending financial assistance to micro, small and medium enterprises and exporters, presenting Coir Industry Awards on an annual basis to recognize the outstanding performance in the areas of export, domestic trade, R&D, best performing units and co-operatives etc.
4. Domestic Market Promotion (DMP): This plan programme envisages the development of domestic market for coir and coir products through appropriate measures for popularization including publicity and propaganda. Participation in fairs/exhibitions organized by other agencies and organizing exclusive fairs for coir and coir goods within the country are also taken up as steps to popularize the technologies, schemes and services and to increase the awareness of coir products and to enhance its consumption inside the country. The grant provided under Market Development Assistance to State supported organizations and co-operatives to the tune of 10% of their average annual sales turnover of coir products for enlarging marketing network, improving the quality standards, product development / diversification, innovative marketing etc. The grant of MDA which is shared on 1:1 basis by the Central Government through Coir Board and the states / UTs concerned is a major activity under this component of the Scheme.
5. Trade and Industry Related Functional Support Services (TIRFSS): In order to provide a systematic feedback of information, assisted by modern information technology to improve the effectiveness of delivery of services, and identifying appropriate policy initiatives by Coir Board for the planned and rapid development of Coir Industry, this component of the Scheme is being implemented by the Coir Board.
6. Welfare Measures (Group Personal Accident Insurance Scheme): The Group Personal Accident Insurance Scheme for Coir Workers is aimed at providing insurance coverage against accidental death, permanent total disability and permanent partial disability to the coir workers in all coir producing states in India. Now the scheme has been converged with Pradhan Mantri Surksha Bima Yojana (PMSBY). The premium for the insurance coverage is met in full by the Board.

7. Plan Science & Technology: Coir Board is implementing the Science and Technology Scheme to meet the Research and Development needs for its transformation into a modern industry. Modernisation of Production Process, Development of Machinery and Equipments, Product Development and Diversification, Development of Environment friendly technologies, Technology Transfer, Incubation, Extension of Testing and Service Facilities, Providing Incentive for using Natural Dyes and acquiring Intellectual Property Rights (IPR) are the major activities undertaken in this programme. The R&D activities are undertaken through the Coir Board's twin research institutes viz, Central Coir Research Institute (CCRI), Kalavoor, Kerala and Central Institute of Coir Technology (CICT), Bangalore. The efforts of these research institutes have lead to the development of a few remarkable machinery items which helped enhancement of productivity of the workers and betterment of quality of the products. The institutes have also developed several eco-friendly technologies and diversified products. The new technologies developed by the institutes are transferred to the industry promptly.

(b)&(c): Government has no specific proposal/scheme for establishment of agriculture-based cottage industries in the country. 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.

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

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**Annexure-I referred to in reply to part (b)&(c) of the Lok Sabha Unstarred Question No. 2723 for answer on 12.03.2018**

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	2014-15				2015-16			
		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
	<b>Total</b>	<b>109306</b>	<b>112253.87</b>	<b>48168</b>	<b>357502</b>	<b>128620.30</b>	<b>102006.33</b>	<b>44340</b>	<b>323362</b>

# including un-utilized balance funds of previous year.

\* including Daman & Diu.

\*\* including Dadra & Nagar Haveli

Sl. No.	State/UT	2016-17				2017-18 [upto28.02.2018]			
		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	3541.26	2621.40	1492	11691	4972.84	5410.30	2900	23200
2	Himachal Pradesh	1970.11	2185.27	941	6916	1785.19	1417.47	612	4896
3	Punjab	3504.09	3181.60	1266	9858	3272.84	3023.10	1187	9496
4	UT Chandigarh	100	82.84	47	376	100.00	67.26	33	264
5	Uttarakhand	2140.93	2122.33	1345	9890	3272.84	3157.39	1059	10312
6	Haryana	3371.31	3383.53	1377	11016	116.00	93.33	1289	544
7	Delhi	300	182.41	119	952	4693.26	3706.24	68	9376
8	Rajasthan	5500.99	4641.6	1749	13408	2017.95	1963.39	1172	8472
9	Uttar Pradesh	12981.52	14271.05	4074	36315	12624.41	13080.42	4256	34048
10	Bihar	6909.77	8336.51	3234	25872	2516.67	2388.16	1427	8104
11	Sikkim	200	35.93	27	201	5187.04	5219.56	25	9792
12	Arunachal Pradesh	500	440.34	301	1984	100.00	31.11	142	200
13	Nagaland	1751.68	2007.48	1018	7783	500.00	208.03	863	1136
14	Manipur	1741.7	2162.78	1265	8419	4028.86	2438.69	376	6904
15	Mizoram	1253.49	491.96	425	3400	2364.42	850.41	137	3008
16	Tripura	1578.62	3734.66	2297	17961	545.69	148.47	688	1096
17	Meghalaya	1748.1	407.89	329	2632	3383.12	1216.78	53	5504
18	Assam	5636.41	4910.38	6028	31498	720.92	86.90	1625	424
19	West Bengal	3680.3	6270.32	3528	26604	3221.99	1521.22	1222	13000
20	Jharkhand	4165.73	2654.35	1300	10400	4653.09	4183.46	677	11416
21	Odisha	5201.65	6848.96	3029	20392	3975.31	3465.80	1768	9776
22	Chhattisgarh	4493.3	4070.73	1598	12856	2070.37	1544.76	1013	5416
23	Madhya Pradesh	8527.32	8346.06	1940	15520	4462.97	4129.52	1224	14144
24	Gujarat*	5398.45	7561.61	1386	11629	350.00	217.30	1559	1352
25	Maharashtra**	6111.29	6001.36	2325	17799	11109.26	10576.59	2529	12472
26	Andhra Pradesh	2336.59	4916.08	1357	14148	7755.56	6523.25	1342	20232
27	Telangana	2004.86	2561.72	664	6445	197.53	118.61	934	304
28	Karnataka	4941.62	11609.56	3575	30286	6033.96	4621.51	1784	10736
29	Goa	371.62	191.44	90	660	4011.73	3208.42	38	7472
30	Lakshadweep	50	00	00	00	6462.97	5571.01	0	14272
31	Kerala	2446.06	3350.68	1584	13068	50.00	0	891	0
32	Tamil Nadu	5291.23	8213.92	2941	25764	2082.72	1964.57	3011	7128
33	Puducherry	150	103.65	66	699	8260.50	7562.91	36	24088
34	A&N Islands	100	193.46	195	1398	10.00	65.76	169	288
	<b>Total</b>	<b>110000</b>	<b>128093.86</b>	<b>52912</b>	<b>407840</b>	<b>116910.01</b>	<b>99781.70</b>	<b>36109</b>	<b>288872</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 (b)&(c) of the Lok Sabha Unstarred Question No. 2723 for answer on 12.03.2018**

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
<b>Total</b>		<b>3902</b>	<b>1270</b>	<b>3333</b>	<b>2874</b>

P-Provisional

**Annexure-III****Annexure-III referred to in reply to parts (b)&(c) of the Lok Sabha Unstarred Question No. 2723 for answer on 12.03.2018****State-wise details of Subsidy released under MCY**

(Rs. In lakhs)

Sl. No.	State	2014-15	2015-16	2016-17	2017-18 (upto28.2.2018)
1	Tamil Nadu	0.9	-	-	-
2	Kerala	4.52	11.15	2.66	3.19
3	West Bengal	3.76	2.05	-	-
	<b>Total</b>	<b>9.18</b>	<b>13.20</b>	<b>2.66</b>	<b>3.19</b>

**State-wise details of Subsidy released under DPI**(Rs.in  
Lakhs)

Sl. No.	State	2014-15	2015-16	2016-17	2017-18(upto 28.2.2018)
1	Tamil Nadu	115.28	86.58	72.00	85.39
2	Karnataka	22.84	-	-	15.73
3	Gujarat	3.99	-	-	-
4	AP & Telangana	8.42	-	-	8.36
5	Odisha	-	2.00	-	-
6	Kerala	6.87	6.73	-	-
	Total	157.40	95.31	72.00	109.48

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

(Rs. in crores)

Sl. No.	State/UT	2014-15	2015-16	2016-17	2017-18 (up to 28.2.2018)
1	Kerala	0.38	1.84	1.79	1.38
2	Tamil Nadu	1.79	6.24	5.40	3.46
3	A&N Islands	0.00	0.00	0.08	0.00
4	Karnataka	0.75	0.04	1.64	0.94
5	Maharashtra	0.00	0.00	0.15	0.14
6	Gujarat	0.00	0.00	0.16	0.00
7	Andhra Pradesh	0.58	2.16	2.29	0.31
8	Odisha	0.40	1.46	0.92	0.23
9	West Bengal	0.00	0.14	0.31	0.20
10	N.E Region	0.00	0.05	0.10	0.00
	<b>Total</b>	<b>3.90</b>	<b>11.93</b>	<b>12.84</b>	<b>6.66</b>

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

<b>Sl.No</b>	<b>State</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18*</b> (up to 28.2.2018)
1.	Kerala	820	1312	861	1557
2.	Tamil Nadu	2340	1483	2383	942
3.	Karnataka	418	102	432	168
4.	Andhra Pradesh	234	879	652	186
5.	Odisha	287	325	225	361
6.	Others	212	108	226	70
	<b>Total</b>	<b>4311</b>	<b>4209</b>	<b>4779</b>	<b>3284</b>

\*Provisional

**Annexure-IV referred to in reply to part (d) of the Lok Sabha Unstarred Question No. 2723 for answer on 12.03.2018**

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.