

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTIONNO. 4216**  
**TO BE ANSWERED ON 18.07.2019**

**MODERNISATION OF COTTAGE INDUSTRY IN TAMIL NADU**

4216. SHRI P.R. NATARAJAN:

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

- (a) whether any action has been taken by the Union Government to modernise cottage industry in Tamil Nadu;
- (b) if so, the details thereof, district-wise;
- (c) the details of products including food products processed by cottage industries in Tamil Nadu during the last three years; and
- (d) the steps taken by the Government to provide market to cottage industries and to save them from liberal market forces?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a)&(b): The Ministry of MSME through, Khadi and Village Industries Commission, is implementing the following programmes and schemes for promotion and to modernize Khadi and Village Industries in the country, including the State of Tamil Nadu:

1) 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 (KVIBs) and District Industries Centres (DICs). 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.

2) Khadi Programme: For the development and promotion of Khadi Programme, KVIC implements following Schemes with the support of 34 State/UT Khadi and Village Industries Boards (KVIBs) and 2632 Khadi Institutions:

- i) Market Promotion and Development Assistance (MPDA).
- ii) Interest Subsidy Eligibility Certificate (ISEC)
- iii) AamAdmi BimaYojana (erstwhile Jana Shree BimaYojana)
- iv) Artisans Welfare Fund Trust (AWFT)
- v) Workshed Scheme for Khadi Artisans
- vi) Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure.

3) Village Industries Programme is broadly classified under seven groups for the purpose of implementation of its programmes, which are as under:

- i) Agro Based and Food Processing Industry (ABFPI)
- ii) Forest Based Industry (FBI)
- iii) Hand Made Paper and Fibre Industry (HMPFI)
- iv) Mineral Based Industry (MBI)
- v) Polymer and Chemical Based Industry (PCBI)
- vi) Rural Engineering and Bio-Technology Industry (REBT)
- vii) Service & Textile Industry

4) 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. '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.

5) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) has been under implementation since 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. The scheme was modified as revamped SFURTI scheme during 2016-17.

6) Capacity Building (CB): KVIC conducts training programmes through 40 departmental and non-departmental training centres. These training centres imparts need-based training under various disciplines viz. Soap and Detergent making, Food Items, Bakery Products, Ready Made Garments, Beekeeping, Agaratti making, candle making, motor winding etc.

7) Science & Technology: Research and Development (R&D) is a vital input for stepping up productivity by bringing improvement in equipment and manufacturing techniques of the craftsman. KVIC continued to increase the productivity and earnings of artisans and make the production process more artisan-friendly by reducing drudgery in their work. Various advance technologies have been developed under Research & Development schemes of KVIC, which bring a significant difference in the quality, productivity and packaging of the products manufactured by the rural industries sector.

In addition to above, KVIC is also implementing following programmes for promotion and development of traditional industries viz. Beekeeping (Honey Mission) and Pottery Development Programme (Kumhar Sashaktikaran Programme):

- i) Bee-Keeping (Honey Mission): KVIC launched Honey (Bee) Mission in July, 2017 for promoting Beekeeping and generating employment in the beekeeping potential States of the country.

- ii) Pottery Programme (Kumhar Sashaktikaran): Under this programme KVIC identify the areas where clusters of traditional pottery workers are available and provide them training and electric pottery wheels and other tools like blunger, Pug Mill, etc.
- iii) Mission Solar Charkha: Ministry of MSME has launched the Mission Solar Charkha for implementation of 50 Solar Charkha Clusters across the country with a budget of Rs. 550 crore for the year 2018-19 and 2019-20. The scheme is envisaged to generate direct employment to nearly one lakh persons. Solar Charkha Units have been classified as Village Industries.

District-wise progress of Khadi and Village Industries programmes in Tamil Nadu State is placed at **Annexure-I**.

(c): KVIC does not maintain the details of the products, 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:

1. **Agro Based & Food Processing Industry (ABFPI)** includes industries viz. Pulses & Cereals Processing Industry, Gur & Khandsari Industry, Palmgur Industry, Fruit & Vegetable Processing Industry, Village Oil Industry, etc.
2. **Forest Based Industry (FBI)** includes industries viz. Medicinal Plants Industry, Beekeeping Industry, Minor Forest Based Industries, etc.
3. **Handmade Paper and Fibre Industry (HMPFI)** includes industries viz. Handmade Paper Industry, Fibre Industry, etc.
4. **Mineral Based Industry (MBI)** includes industries viz. Pottery, Lime, Plaster of Paris products, Stone Crushing & Carving etc.
5. **Polymer and Chemical Based Industry (PCBI)** includes industries viz. Leather Industry, Non-edible Oil & Soap Industry, Detergent Powder, Candle making, Cottage Match Industry, Plastic Industry, etc.
6. **Rural Engineering and Bio-Technology Industry (REBTI)** includes industries viz. Non-Conventional Energy, Bio-gas plants, Carpentry & Black smithy, Electronics, etc.
7. **Service & Textile Industry (STI)** includes services under Electronic and Electrical devise repairing, Machine repairing, Plumbing and other servicing works, Sweater Hosiery, Band aid cloth and other textile products etc.

Group-wise production of Khadi and Village Industries (KVI) products undertaken by the entrepreneurs and units is as under:

(Rs. in crore)

Year	MBI	FBI	ABFPI	PCBI	HMPFI	REBTI	STI	Total
2016-17	8269.57	3037.38	12273.62	5121.74	1850.92	8284.84	2272.19	41110.26
2017-18	9359.02	3234.85	13882.20	5542.25	2138.59	9744.54	2553.29	46454.74
2018-19 (P)	11523.65	3501.748	14360.46	7154.662	2734.023	11568.56	5306.38	56149.50
	Production of Village Industries under SFURTI, KRDP and Honey Mission							

(d): The steps taken by the Government for providing market support to the entrepreneurs to sell their products is placed at **Annexure-II**.

**Annexure-I referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No. 4216 for answer on 18.07.2019**

District wise projects set up by entrepreneurs and employment generated under PMEGP Scheme in Tamil Nadu State during the last three years

Sr. No.	Name of District	2016-17		2017-18		2018-19	
		No. of Projects	Employment (Nos.)	No. of Projects	Employment (Nos.)	No. of Projects	Employment (Nos.)
1	Ariyalur	72	279	84	154	92.53	1232
2	Chennai	70	617	45	64	121.43	512
3	Coimbatore	137	1788	123	149	869.68	1192
4	Cuddalore	83	878	138	215	388.72	1720
5	Dharmapuri	72	759	90	114	407.23	912
6	Erode	113	1035	161	228	1035.55	1824
7	Kancheepuram	80	674	118	134	368.69	1072
8	Karur	98	1080	85	176	902.52	1416
9	Krishnagiri	99	874	137	161	493.63	1280
10	Nagapattinam	117	836	126	145	355.45	1160
11	Namakkal	94	976	108	156	816.86	1248
12	Nilgiris	30	224	35	49	84.79	392
13	Perambalur	73	466	98	77	121.16	616
14	Salem	115	1199	188	316	1167.65	2528
15	Thanjavur	121	549	154	201	308.35	1608
16	Thiruchirapalli	79	606	71	83	216.23	664
17	Thiruvallore	85	694	111	128	320.60	1024
18	Thiruvarur	83	552	110	157	326.92	1256
19	Tiruvannamalai	77	683	56	163	561.71	1304
20	Tirupur	78	843	112	130	792.57	1040
21	Vellore	132	1519	135	281	789.10	2248
22	Villupuram	120	1502	123	113	329.23	904
23	Dindugal	57	478	56	43	128.82	344
24	Kanyakumari	94	755	72	95	198.12	760
25	Madurai	58	475	87	85	189.29	680
26	Pudukottai	77	564	96	112	184.42	896
27	Ramanathapuram	89	598	246	326	126.89	2608
28	Sivagangai	33	251	48	102	159.06	816
29	Theni	77	535	80	66	120.49	528
30	Thirunelveli	74	654	287	271	294.05	2168
31	Tuticorin	36	303	203	150	145.80	1200
32	Virudhunagar	49	376	85	58	125.76	464
	<b>Total</b>	<b>2672</b>	<b>23620</b>	<b>3668</b>	<b>29344</b>	<b>4702</b>	<b>37616</b>

**District-wise total number of Khadi Institutions assisted under KRDP in Tamil Nadu**

S. No	Name of the District	No. of Institutions under KRDP
1	Tirupur	10
2	Coimbatore	4
3	Thanjavur	2
4	Vellore	2
5	Tiruchirappalli	1
6	Erode	1
7	Karur	1
8	Cuddalore	1
9	Tiruvannamalai	1
10	Kanchipuram	1
11	Nilgiri	1
12	Madurai	2
13	Thirunelveli	2
14	Tuticorin	2
15	Virudhunagar	2
16	Kanyakumari	1
	<b>Total</b>	<b>34</b>

**District-wise total Sales Outlets Renovated Under KRDP, SFURTI & Assistance for Marketing Infrastructure Schemes**

Sr. No	Name of the District	No. of Sales outlets renovated under KRDP.	No. of Sales outlets renovated under SFURTI.	No. of Sales outlets renovated under Assistance for Marketing Infrastructure scheme
1	Tirupur	9	1	-
2	Coimbatore	5	-	1
3	Thanjavur	1	-	-
4	Vellore	3	-	1
5	Ariyalur	1	-	-
6	Erode	2	-	-
7	Karur	1	1	-
8	Tiruvannamalai	1	-	-
9	Kanchipuram	1	-	-
10	Namakkal	1	-	-
11	Nagapattinam	1	-	-
12	Tiruchirappalli	-	-	2
13	Salem	-	-	2
14	Chennai	-	-	1
15	Cuddalore	-	-	1
16	Madurai	2		
17	Thirunelveli	2		
18	Tuticorin	2		
19	Virudhunagar	2		
20	Kanyakumari	1		
	<b>Total</b>	<b>35</b>	<b>2</b>	<b>8</b>

**District-wise total Khadi Institutions and Village Industries Clusters assisted under SFURTI Scheme in Tamil Nadu**

**Number of Khadi institutions Assisted under SFURTI-2**

Sr. No	Name of the District	No. of Institutions under SFURTI	Employment provided
1	Tirupur	1	223
2	Karur	1	114
	<b>Total</b>	<b>2</b>	<b>337</b>

**SFURTI under Village Industries**

Sr. No	Name of the District	No. of Institutions under SFURTI	Employment provided
1	Salem	1	550

**District-wise beneficiaries benefitted under Honey Mission during 2018-19**

Sr. No.	Name of the District	No. of Beneficiary
1	Tiruvannamalai	150
2	Krishnagiri	25
3	Kanyakumari	760
4	Theni	250
5	Thoothukudi	150
6	Tuticorin.	90
7	Tirunelveli.	250
	<b>Total</b>	<b>1675</b>

**District-wise details of Pottery programme in Tamil Nadu State**

Name of the District	2016-17		2017-18		2018-19	
	No. of potters trained	Employment	No. of potters trained	Employment	No. of potters trained	Employment
Villupuram	20	24	-	-	-	-
Tiruchirappalli	20	23	-	-	-	-
Thanjavur	-	-	20	23	-	-
Vellore	-	-	20	22	200	250
<b>Total</b>	<b>40</b>	<b>47</b>	<b>40</b>	<b>45</b>	<b>200</b>	<b>250</b>

**Annexure-II referred to in reply to part (d) of the Lok Sabha Unstarred Question No. 4216 for answer on 18.07.2019**

Following steps are being taken by the Government for providing market support to the entrepreneurs to sell their products:

- i) For marketing of Khadi and Village Industries products produced by Entrepreneurs and Khadi Institutions, KVIC organizes exhibitions at National, State and District level.
- ii) KVIC provides financial assistance for renovation and modernization of Sales outlets run by the Khadi Institutions and State Khadi and Village Industries Boards (KVIBs) and Departmental Sales Outlets (DSOs) of KVIC.
- iii) Signed MOU with NIFT for design development and developing Khadi fashion garments and to promote Khadi as a fashion fabric of India.
- iv) KVIC invited Textile Giants for marketing convergence and signed MoUs with Corporates like Raymond, Arvind Mills, Aditya Birla Fashion and Retail Ltd. (ABFRL) for developing and promoting sale of Khadi.
- v) Khadi fabric and other village industries products supplied to PMO, Air India, Defense Ministry, Ministry of Health, Department of Post, Indian Oil Corporation (IOC), Oil & Natural Gas Corporation Limited (ONGC), Rural Electrification Corporation (REC), Banks, JK Cement Ltd, Grandhi Mallikarjuna Rao (GMR) group, and other Govt. departments & PSUs.
- vi) Buyer-Seller meetings are organized by KVIC.