

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. 316**  
**TO BE ANSWERED ON 10.08.2023**

**PROMOTION OF COTTAGE INDUSTRIES**

\*316. DR. DNV SENTHILKUMAR S.:  
SHRI KULDEEP RAI SHARMA:

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

- (a) the current status of cottage industries in the State of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands along with the steps taken to promote such industries;
- (b) the contribution of small scale and cottage industries in the economic development and Gross Domestic Product (GDP) of the country;
- (c) whether the Government is aware of the fact that encouraging small and cottage industries in rural, tribal and semi-urban areas would create employment opportunities for locals and prevent them from migrating;
- (d) if so, the details of the initiatives that have been taken and proposed to be taken by the Government in this regard;
- (e) whether the Government has made any assessment regarding the capacity/contribution of cottage industries in creating employment opportunities in the country and if so, the details thereof;
- (f) whether the Government has formulated any scheme for revival and promotion of domestic cottage industries which are on the verge of extinction and if so, the details thereof; and
- (g) the steps taken by the Government to provide market to cottage industries and save these from liberal market forces along with the outcome thereof?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) to (g): A statement is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (g) OF THE LOK SABHA  
STARRED QUESTION No.\*316 FOR ANSWER ON 10.08.2023**

(a): Ministry of MSME is promoting cottage and village industries across the country through the following schemes:

1. **Prime Minister's Employment Generation Programme (PMEGP):** PMEGP is a credit-linked subsidy programme for generating self-employment opportunities through establishment of micro enterprises, including village industries, throughout the country.
2. **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** Under this scheme, traditional industries and artisans are organized into collective manufacturing enterprises for making value added traditional products and provide the artisans with enhanced sustainable employment.
3. **Khadi Vikas Yojana (KVY):** The scheme aims to increase productivity and wages of khadi artisans and secure their livelihood. It also assists in improving infrastructure for khadi production and thereby increasing its production and sales.
4. **Gramodyog Vikas Yojana (GVY):** The scheme aims to revive traditional and inherent skills of rural artisans by imparting advanced skill development training along-with distribution of modern toolkits.
5. **Coir Vikas Yojana (CVY):** The scheme aims to support growth of coir industry and promote sustainable employment of coir workers.

The current status of cottage industries in the State of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands for the above schemes is placed in **Annexure I**.

(b): Separate data on the contribution of small scale and cottage industries in the Gross Domestic Product (GDP) of the country is not being maintained. However, the contribution of MSME sector including small scale and cottage industries is estimated at about 30% of GDP of the country.

(c) & (d): Yes, Sir. The Government has taken following initiatives for encouraging small and cottage industries in rural, tribal and semi-urban areas to create employment opportunities for locals and prevent them from migrating:

- i. Under PMEGP, 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 Scheduled Castes, **Scheduled Tribes**, OBCs, Minorities, Women, Ex-servicemen, Differently-abled, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in **rural areas** and 25% in urban area. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector.
- ii. Under SFURTI, assistance is provided for establishment of Common Facility Centers (CFCs), procurement of new machineries, along with skill upgradation, marketing and design support, etc. Support is provided up to Rs. 2.50 crore (Regular Cluster) for clusters up to 500 artisans and up to Rs. 5.00 crore (Major Cluster) for clusters with more than 500 artisans. The major sectors covered under SFURTI include handicrafts, textiles, bamboo, agro-processing, honey, khadi, coir, etc.

- iii. Under KVV, assistance is provided to Khadi Institutions and artisans through schemes such as Modified Marketing Development Assistance (MMDA), Interest Subsidy Eligibility Certificate (ISEC), Workshed Scheme for Khadi Artisans, Strengthening of Infrastructure of Existing weak Khadi Institutions and Assistance for Marketing Infrastructure, etc., to increase Khadi production and provide sustainable employment to Khadi workers.
- iv. Under GVY, skill development training and advanced tools and equipment are provided to rural and traditional artisans for promoting entrepreneurship among rural people in bee-keeping activities, pottery, agarbatti manufacturing, leather footwear activities, etc. These include components such as Honey Mission, Kumhar Sashaktikaran Programme, etc.
- v. Under CVY, sustainable employment is generated in Coir industry through various components focusing on skill upgradation, domestic and export market promotion, technological upgradation and welfare of coir artisans particularly women.

(e): Yes, Sir. The employment generated under the schemes relating to cottage industries is given at **Annexure II**.

(f): Ministry of MSME is implementing Scheme of Fund for Regeneration of Traditional Industries (SFURTI) which focuses on regenerating traditional industries including cottage industries. Since 2015-16 till 31.07.2023, a total of 513 clusters have been approved under SFURTI, with a total Government of India assistance of Rs. 1332.95 cr., directly benefitting 3.03 lakh artisans across the country.

(g): Following steps are being taken by the Ministry of MSME through KVIC to provide marketing support to micro units including cottage industries:

- i. Sale of products manufactured by traditional artisans and craftsmen are facilitated through a wide network of around 8035 “Khadi India” sales outlets across the country including Departmental Sales Outlets and its branches owned by KVIC.
- ii. KVIC facilitates marketing support and organises exhibition where the institutions and entrepreneurs promoted by KVIC can sell and display their products.
- iii. KVIC has started online selling of all KVI products through [www.ekhadiindia.com](http://www.ekhadiindia.com) and [www.khadiindia.gov.in](http://www.khadiindia.gov.in).
- iv. Selected entrepreneurs and artisans engaged in production of unique and quality products are also given financial assistance to participate in the International Exhibitions.
- v. Tie-up with Railways, Department of Posts, Air India, ONGC, IOCL and other Govt. organizations to market the products manufactured by the Khadi Institutions and entrepreneurs promoted by KVIC.
- vi. Publicity of KVI products is undertaken through print, electronic, digital and social media.

**Annexure I****Annexure I referred to in reply to part (a) of the Lok Sabha Starred Question No. 316 for answer on 10.08.2023**

Details of units assisted and estimated employment generated under PMEGP since inception in 2008-09 and till 31.07.2023 in the State/ UT of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands are given below:

<b>States/ UT</b>	<b>Units assisted</b>	<b>Estimated employment generated</b>
Tamil Nadu	55128	526293
Maharashtra	51355	403359
Andaman and Nicobar Islands	2383	13256

Details of clusters approved and artisans covered under SFURTI since 2015-16 and till 31.07.2023 in the State/ UT of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands are given below:

<b>States/ UT</b>	<b>No. of clusters approved</b>	<b>Artisans covered</b>
Tamil Nadu	28	25531
Maharashtra	29	16602
Andaman and Nicobar Islands	1	400

Details of registered Khadi Institutions and Khadi Artisans as on 31.03.2023 in the State/ UT of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands are given below:

<b>States/ UT</b>	<b>No. of registered Khadi Institutions</b>	<b>No. of Khadi Artisans engaged</b>
Tamil Nadu	81	20263
Maharashtra	40	3087
Andaman and Nicobar Islands	0	0

Number of beneficiaries under GVV as on 31.03.2023 in the State/ UT of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands is given below:

<b>States/ UT</b>	<b>No. of beneficiaries under Honey Mission of GVV</b>	<b>No. of beneficiaries under Kumhar Sashaktikaran Programme of GVV</b>
Tamil Nadu	775	1115
Maharashtra	987	3252
Andaman and Nicobar Islands	0	0

Details of number coir units registered as on 31.03.2023 in the State/ UT of Tamil Nadu, Maharashtra, Andaman and Nicobar Islands is given below:

<b>States/ UT</b>	<b>No. of registered coir units</b>
Tamil Nadu	4824
Maharashtra	56
Andaman and Nicobar Islands	3

## Annexure II

### Annexure II referred to in reply to part (e) of the Lok Sabha Starred Question No. 316 for answer on 10.08.2023

The details of employment generated under the schemes relating to Cottage Industries are given below:

<b>Name of the Scheme</b>	<b>Total employment generated</b>
Prime Minister's Employment Generation Programme (PMEGP)	72.88 lakh
Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	3.03 lakh
Khadi Vikas Yojana (KVY)	4.98 lakh
Honey Mission under Gramodyog Vikas Yojana (GVY)	0.19 lakh
Kumhar Sashaktikaran Programme under Gramodyog Vikas Yojana (GVY)	1.04 lakh
Coir Vikas Yojana (CVY)	7.48 lakh