

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:328  
ANSWERED ON:07.07.2009  
COTTAGE INDUSTRY IN ORISSA  
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**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) whether the condition of cottage industry in Orissa is far from satisfactory;
- (b) if so, the details and action taken to rejuvenate cottage industry in the State;
- (c) the total number of cottage industries presently running in Orissa; and
- (d) the steps taken by the Government to set up more cottage industries in backward regions of Orissa?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a)&(b): The primary responsibility of promoting village industries including cottage industries rests with the State/UT Governments. However, the Central Government implements a number of schemes to supplement the efforts of the State/UT Governments. Some of the important schemes are:

- (i) Credit Linked Capital Subsidy Scheme (CLCSS) for technology upgradation and modernisation of production techniques
  - (ii) Micro and Small Enterprises Cluster Development Programme (MSE-CDP) for holistic development of MSE clusters;
  - (iii) Credit Guarantee Fund for Micro and Small Enterprises for providing guarantee cover to banks for collateral-free loans upto Rs. 25 lakh;
  - (iv) Rural Industries Service Centres (RISC) Scheme for setting up of common facility centers (CFCs) to provide infrastructural support and services to such industries;
  - (v) Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved design and packaging of village industry products;
  - (vi) Financial assistance to village industry units for participation in national and international level exhibitions for market development;
- (c) Such information is not maintained centrally. However, under erstwhile Rural Employment Generation Programme (REGP) that was in vogue till 31 March 2008 financial assistance was provided through Khadi and Village Industries Commission (KVIC), to establish 6769 village industry units including cottage industry in Orissa.
- (d) To promote village industries (including cottage industries) in the country including Orissa, the Government (in the Ministry of Micro, Small and Medium Enterprises), through Khadi and Village Industries Commission (KVIC), has introduced 'Prime Minister's Employment Generation Programme (PMEGP)' during 2008-09. Under this programme, financial assistance is provided for setting up of micro-enterprises costing upto Rs. 10 lakh in service/business sector and Rs. 25 lakh in manufacturing sector. The assistance is provided in the form of subsidy upto 25 per cent (35 per cent for weaker sections) of the project cost in rural areas while it is 15 per cent (25 per cent for weaker sections) for urban areas. It is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territory level, the scheme is being implemented through the field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks. The detailed implementation guidelines of PMEGP are available in the Ministry's website, [www.msme.gov.in](http://www.msme.gov.in).

Since the beginning of implementation of PMEGP in 2008-09, 1976 units have been sanctioned involving margin money subsidy of Rs. 30.05 crore for generating employment opportunities to an estimated 19760 persons in Orissa.