

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 908
TO BE ANSWERED ON 17.09.2020

ESTABLISHMENT OF SMALL SCALE INDUSTRIES

908. SHRI RAJESHBHAI CHUDASAMA:

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

- (a) whether Government proposes to establish Small Scale Industries (SSIs) to encourage Khadi in the country; and
(b) if so, the details thereof including the number of such industries established during the last three years?

ANSWER

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

(a)&(b): Ministry of Micro, Small and Medium Enterprises (MSME), through Khadi and Village Industries Commission (KVIC), has developed an online application system 'Khadi Institutions Registration and Certification Seva' (KIRCS) for establishment of Small Scale Industries (SSIs) to encourage Khadi in the country. KIRCS will help in encouraging more number of Khadi Institutions so that entrepreneurs and NGOs interested in production and sales activities of Khadi can obtain 'Khadi' Certificate and 'Khadi Mark' from KVIC and start their Khadi activities. The institutions registered and having 'Khadi Mark' Certificate can get assistance under the following schemes:

i) Market Promotion Development Assistance (MPDA) includes Market Development Assistance, Publicity, Marketing, Market Promotion, setting up of Marketing Complexes /Khadi Plazas for expanding the marketing network of Khadi & Village Industries products. Under Modified MDA (MMDA), financial assistance at 30% of Prime Cost is distributed amongst Producing Institutions (20%), Selling Institutions (10%), Artisans (40%) and best performing Khadi Institutions (30%).

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% and any interest charged by banks over 4% are paid by the Government of India through KVIC to the banks.

iii) 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 for elevation from "D" to "C" category as well as those whose production, sales and employment have been declining. Under this scheme, financial assistance is provided to existing weak Khadi Institutions for strengthening of their infrastructure and for renovation of khadi sales outlets.

iv) Workshed Scheme for Khadi Artisans provides financial assistance to khadi artisans belonging to BPL Category for construction of worksheds. The objective of the scheme is to provide better workplace for spinners and weavers, providing more working space and storage for housing splicers, raw materials, implements, etc. and improving efficiency and productivity of the spinners through electricity connections for lighting.

Assistance for construction of worksheds is provided through the Khadi Institutions with which the khadi artisans are associated and the quantum of assistance is as under:

Component	Area per unit	Amount of Assistance
Construction of individual workshed	20 sq. mts. (approximately)	Rs.60,000/- or 75% of the actual cost of the workshed, whichever is less. For North Eastern Region (NER) Rs.60,000/- or 90% of the actual cost of workshed, whichever is less.
Construction of group workshed (min. 5 artisans and max. 15 artisans)	10 sq. mts. per artisan	Rs.40,000/- or 75% of the actual cost of the workshed per artisan, whichever is less. For NER Rs.40,000/- or 90% of the actual cost of workshed per artisan, whichever is less.

- Cost of land will not be the part of the project cost
- Financial assistance will be for the purpose of construction only
- Remaining 25% is to be borne by beneficiary and for group by institution.

The total number of Khadi Institutions (KIs) as on 31.3.2020 is 2737. Number of new KIs registered with KVIC for undertaking Khadi activities during the last three years is as under:

Year	Number of KIs registered
2017-18	149
2018-19	114
2019-20	104
