

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2066
TO BE ANSWERED ON: 31.07.2025

KHADI AND VILLAGE INDUSTRIES COMMISSION

2066. SMT. PRATIMA MONDAL:

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

- (a) the specific measures adopted/to be adopted by the Government to streamline the Udyam Registration process and the steps taken/being taken to ensure that micro and small enterprises in rural and informal sectors are effectively onboarded;
- (b) the steps being taken to strengthen the performance and governance of the Khadi and Village Industries Commission (KVIC) and the manner in which the traditional industries are being linked to contemporary markets; and
- (c) the details of the data on the implementation and impact of the Credit Linked Capital Subsidy Scheme (CLCSS) including the sectors and regions that have benefited the most?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): On 1st July, 2020, the Ministry of Micro, Small and Medium Enterprise (MSME) launched Udyam Registration Portal (URP), a free of cost, paperless and fully digitalized online platform, on which an enterprise can register itself as an MSME. To formalize Informal Micro Enterprises (IMEs), Udyam Assist Platform (UAP) was launched on 11.01.2023, in collaboration with SIDBI which onboard these IMEs through Designated Agencies.

Formalisation Drives are conducted by the field offices of Ministry of MSME, in coordination with MSME/ Industry Departments of States/UTs concerned and other MSME stakeholders to ensure that Micro and Small Enterprises, across the country, including in rural areas and informal sectors are effectively onboarded. Further, special drives are conducted for onboarding of Women-owned Enterprises under Yashasvini initiative of the Ministry.

- (b): To strengthen the performance and governance of the KVIC, following initiatives have been taken:
- i. KVIC has entered into a Memorandum of Understanding (MoU) with Mahatma Gandhi Institute for Rural Industrialization (MGIRI)/Wardha, a dedicated research and training institute focused on promoting innovation, Science and Technology interventions, quality guidance, and entrepreneurship support for Khadi and Village Industries institutions.
 - ii. Modified Market Development Assistance (MMDA) introduced w.e.f 1.10.2016 to promote accountability, productivity, and artisan welfare in the Khadi Sector. The MMDA is a production linked incentive.

- iii. Under 'Strengthening Infrastructure of existing weak Khadi Institutions (KIs) and Assistance for Marketing Infrastructure', financial assistance is provided to existing weak Khadi Institutions for strengthening their infrastructure and for renovation of Khadi sales outlets.
- iv. 'Workshed Scheme for Khadi Artisans' provides assistance for construction of individual as well as group workshed for better work environment.
- v. KVIC extends raw material support on credit from Departmental Central Sliver Plants (CSPs) supplying raw materials in form of sliver/roving to the needy KIs.

To link traditional industries with contemporary markets, Centre of Excellence for Khadi (CoEK) has been set up on Hub and Spoke model with National Institute of Fashion Technology (NIFT) New Delhi. CoEK provides design and product developments, capacity building support to Khadi Institutions. KVIC promotes Khadi products through retail outlets, national exhibitions, e-commerce platforms, and Khadi Lounges in urban centers.

(c): Credit Linked Capital Subsidy (CLCS) is one of the components of the Credit Linked Capital Subsidy and Technology Upgradation Scheme. CLCS aimed at facilitating technology up-gradation in Micro and Small Enterprises (MSEs) by providing an upfront capital subsidy of 15 percent to the MSEs, across the country on institutional finance availed by them for induction of well-established and improved technology in the specified sub-sectors/products approved under the scheme. Credit Linked Capital Subsidy Component was operation till 31.03.2020. The scheme benefitted around 87,989 units by providing them with total capital subsidy of Rs 5685.87 crore, since the inception of the Scheme in the year 2001-02.
