

# Establishment of Khadi Institutions Through Khadi Institutions Registration and Certification Seva

For establishment of Small Scale Industries (SSIs) to encourage Khadi in the country, Ministry of MSME, through Khadi and Village Industries Commission (KVIC), has developed an online application system 'Khadi Institutions Registration and Certification Seva' (KIRCS) for 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) – A unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing network of Khadi & Village Industries products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost is distributed amongst Producing Institutions (20%), Selling Institutions (10%), Artisans (40%). The remaining amount is to be given to best performing Khadi Institutions selected through a transparent scorecard.

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%, any interest charged by banks over 4% will be 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 spindles, 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:

| <b>Component</b>   | <b>Area per unit</b>        | <b>Amount of Assistance</b>  |
|--|-----------------------------|--|
| Construction of individual workshed                                  | 20 sq. mts. (approximately) | Rs.60,000/- or 75% of the actual cost of the workshed, whichever is less.<br>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.<br>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 above schemes will continue to support new Khadi Institutions in future. The total number of Khadi Institutions (KIs) as on 31.3.2019 is 2632. Number of newKIs registered with KVIC for undertaking Khadi activities during the last three years is as under:

| <b>Year</b> | <b>Number of KIs registered</b> |
|-------------|---------------------------------|
| 2016-17     | 62                              |
| 2017-18     | 143                             |
| 2018-19     | 114                             |

This information was given by Shri Nitin Gadkari, Union Minister for Micro, Small and Medium Enterprises in written reply to a question in Rajya Sabha today.

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