

Mission Solar Chakra

The Solar Charkha Mission is a Ministry of Micro Small & Medium Enterprises (MSME) initiative launched during June 2018. The Khadi and Village Industries Commission (KVIC) would implement the programme.

A pilot project on Solar Charkha was implemented at Khanwa village, Nawada District of Bihar in 2016. Based on the success of the pilot project, Government of India has accorded approval to set up 50 such clusters with a budget of Rs. 550 Crore for 2018-19 and 2019-20. The scheme is envisaged to generate direct employment nearly to one lakh persons in the approved Fifty (50) clusters.

The objectives of the Scheme are as follows:

- To ensure inclusive growth by **generation of employment, especially for women and youth, and sustainable development through solar charkha clusters in rural areas.**
- To boost rural economy and help in arresting migration from rural to urban areas.
- To leverage low-cost, innovative **technologies and processes for sustenance**

Project Coverage

- The target is to cover **50 solar clusters across the country, whereby approx. 1,00,000 artisans/beneficiaries are to be covered under the various scheme components.**
- The scheme shall be implemented in all **States of India.**
- The geographical distribution of the clusters throughout the country, **with at least 10% located in the North Eastern Region (NER), J&K and hilly states,** will also be kept in view.
- Special focus will be given to 117 aspirational districts for soliciting project proposals under the scheme.

One cluster of Solar Charkha would involve a maximum subsidy of Rs. 9.599 crore. An indicative Scheme is given below:

Capital subsidy for individual and for Special Purpose Vehicle (SPV) :

- **2000 Solar Charkhas at the maximum price of Rs.45,000/ - per charkha and a subsidy of Rs.15,750/ - per charkha works out to a cumulative subsidy of Rs.3.15 crore for 1000 spinners;**
- One unit of two Solar Charkhas would produce 2.0 kg of yarn on an average per day, resulting in a production of 2.0 tons per 2000 charkhas.
- **Thus, 500 Solar Looms would be required to convert the yarn into fabric at the maximum price of Rs.1,10,000/ - per loom and subsidy @35% at Rs.38,500/ - per loom and the cumulative subsidy works out to Rs.1.93 crore for 500 weavers;**
- **Capital cost of construction of workshed with a minimum space of 20,000 sq.ft with 100% subsidy at the maximum rate upto Rs.1.20 crore per cluster for the SPV;**
- Capital cost of Solar Grid of 50 KW capacity with 100% subsidy at the maximum rate upto **Rs.0.40 crore per cluster for the SPV;**
- **One-time Capital Cost Subsidy for the SPV @35% works out to maximum of Rs.0.75 crore per Cluster for the purchase of twisting machines, dyeing machines and stitching machines (500 in number) for making the unit self-sustainable and for value addition.**

Interest subvention for Working Capital:

- It is proposed to have a **ceiling of 8% of interest subvention on working capital irrespective of the interest rates being charged by the Banks/Financial Institutions** for a period of **six months.**
- **Recurring Working Capital cost for a period of six months at the rate of interest subvention of 8% works out to Rs.1.584 crore** for one cluster including cost of roving, wages of spinners and weavers.

Capacity building:

- The scheme envisages courses for the spinners/weavers and others involved in the garmenting unit **at a total cost of Rs 0.595 cr per cluster for a period of two years.**