



## Mission Solar Charkha

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

### 1. 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 workshop 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, dying machines and stitching machines (500 in number) for making the unit self-sustainable and for value addition.

2. **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.

3. **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.

- Solar Charkha Mission Directorate will draw up a State-wise list of potential clusters.
- An individual or a promoter agency would be selected/ preferred for setting up of Solar Charkha Clusters. Existing Khadi Institutions can also take up the work of setting up of such clusters.
- Promoter will fulfil the following criteria at the time of application :

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- Baseline survey would be conducted by the promoter, and, at least, 200 members would be identified with Aadhaar numbers of which at least 50% shall be women.
- Land of minimum 20,000 sq.ft and upto 2 acres will be provided by the promoter either owned or on long-term lease of minimum 15 years. The land will be arranged by the promoter and all expenditure pertaining to the land will be made by the promoter.
- The promoter agency will deposit at least 15% of the requirement of the working capital or at least three months' projected amount of working capital in a separate dedicated account only after final selection of the promoter by the SSC and before the first release fund is made.
- The promoter agency will form a Special Purpose Vehicle (SPV), before the release of the first instalment of funds, possibly a Section - 8 Company or a Producer company under the Companies Act, 2013 for putting up the integrated model of solar charkhas, solar looms, sewing machines etc. with one village being a focal village.

1. Existing Khadi and Village Industry Institution (KVI) could apply for setting up such a cluster. However, the following parameters must be fulfilled :

- KVI having a positive balance sheet and assets in favour of the institution;
- KVI having an artisan base of not less than 200;
- KVI having a sales turnover of not less than Rs. One Crore in each of the preceding three financial years;
- Should have an increase in number of new artisans in the last three years.

2. Other Institutions such as SPV, Society, Trust, Section 8 Company or LLP under Companies Act, 2013 registered under respective statutes could also apply for setting up a new Solar Charkha Cluster, with the following criteria:

- Vision and Mission
- Board and Governing Structure with sufficient experience
- Proper Management Information System (MIS)
- Financial Resources – equity and debt
- Financial Performance for last three years – profitability and IRR

3. First Timers who want to join the village industry movement through solar charkha clusters could apply for a new cluster, with the following criteria:

- Highest Commitment to the cause of social and rural upliftment
- Funding commitment from Scheduled Commercial Banks/ NBFC/ Venture Capital Fund/Private Equity funds
- Proper Management Information System (MIS)
- Any other criteria to be approved by Governing Council

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