

## **Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation of Small Scale Industries (SSI)**

The Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation of SSI was launched by the Government of India during 2000-01 with the aim to facilitate technology upgradation by SSI units in the specified products / sub-sectors by providing capital subsidy for induction of proven technologies. NABARD, as nodal agency is implementing the scheme through good working RRBs and Cooperative Banks (since 04 December 2002) and Commercial Banks (since 17 January 2005) and NEDFi.

The eligible borrowers under the scheme are sole proprietorships, partnerships, cooperative societies, private and public limited companies in SSI sector. Preference is given to women entrepreneurs. The scheme is to benefit the entrepreneurs in the Tiny Industries and SSI sector.

As per the amended CLCSS which came into effect from 29 September 2005, ceiling on loan under the scheme has been raised from ₹ 40.00 lakh to ₹ 1.00 crore, the rate of subsidy raised from existing 12% to 15% and calculation of admissible subsidy done with reference to the purchase price of plant and machinery instead of the term loan disbursed to the beneficiary unit. At present, the scope of the scheme covers 45 subsectors of the SSI sector which includes Khadi and Village industries. The CLCS Scheme was approved for implementation till 2012-13 in the XII Five-year Plan. The proposal for its further continuation in the XII Plan is being processed by the Ministry of Micro, Small & Medium Enterprises. Meanwhile, the Office of The Development Commissioner, MSME vide their letter dated 04 March 2013 had advised all Nodal Agencies/PLIs to continue to accept applications and process the claim for subsidy in accordance with the Scheme guidelines till further orders.

### **Sanction & Release of Subsidy**

Regional Offices of NABARD located in all the States have been delegated powers to sanction and release admissible subsidy to the eligible units through the PLIs. Capital subsidy to the tune of ₹ 5741.46 lakh was released by NABARD upto 30 September 2013 through 42 PLIs in respect of 1154 eligible units financed by them.

### **Credit Linked Capital Subsidy Scheme**

(₹ Lakh)		
<b>Year</b>	<b>No. of units</b>	<b>Subsidy released</b>
2004-05	14	11.6912
2005-06	74	167.62213
2006-07	90	201.12794
2007-08	24	77.18393
2008-09	178	775.85128
2009-10	97	447.04972
2010-11	206	1116.8838
2011-12	82	495.87
2012-13	225	1399.47
2013-14	187	1219.91
2014-15 (cumulative as on 31/03/2015)	86 1263	533.56 6446.22
<b>Total</b>	<b>2440</b>	<b>12358.88</b>

The guidelines issued by the Ministry of MSME, GoI on CLCSS can be downloaded from the website: [www.dcmsme.gov.in/schemes/sccredit.htm](http://www.dcmsme.gov.in/schemes/sccredit.htm)

For details of sanctions/release of subsidy to individual units, please refer to MSME website.

