

## **CREDIT LINKED CAPITAL SUBSIDY SCHEME (CLCSS)**

The credit linked capital subsidy scheme aims at facilitating Technology Upgradation of Micro and Small Enterprises by providing capital subsidy on institutional finance availed for induction of well established and improved technology in approved sub sectors/products. The scheme is implemented during XI plan period and is valid up to 31.03.2012.

### **Objective**

- The scheme aims to facilitate technology upgradation by MSE units in the specified products/sub-sectors by providing 12% back ended capital subsidy for induction of proven technologies approved under the scheme.

### **Purpose**

- To enable Micro and Small enterprises in specified sectors/industries to install state of art technology with a view to improve productivity and to bring improvement in quality of products

### **Eligible Borrowers**

- Sole proprietorship, Partnerships, Co operative Societies, Private and Public Limited companies in MSE Sector. Priority shall be given to women entrepreneurs.
- Existing MSE units registered with State Directorate of Industries , which propose to upgrade their existing plant and Machineries with the state of art technology, with or without expansion
- New MSE units which are registered with State Directorate of Industries , which set up their facilities only with the appropriate eligible and proven technology duly approved by Governing and Technology Advisory Board(GTAB)

### **Loan amount and subsidy**

- The financial assistance for technology upgradation will be need based subject to a **Maximum of Rs 100 crore**.
- The scheme provides **15% back ended capital subsidy**, the subsidy support would be on the basis of Purchase price of Plant and Machinery.

### **Other conditions for loans**

- Promoter's contribution, security, debt-equity ratio, up front fee, etc. will be determined by the bank as per its existing norms.
- Entrepreneurs availing subsidy under CLCSS shall not avail any other benefit including Interest Subsidy, under any other scheme of the Central Government.
- Availability of competent management to **carry out the upgradation Programme** and to manage the operation of the unit efficiently is essential. the bank may stipulate conditions as may be considered necessary