

## **FREQUENTLY ASKED QUESTIONS (FAQs) RELATED TO CLCSS**

**Q.1** What is CLCSS?

Ans. Credit Linked Capital Subsidy Scheme (CLCSS) is for technology upgradation of Micro and Small enterprises (MSEs) in the country.

**Q.2** Whether the CLCSS is in operation at present?

Ans. No Sir. As per this office O.M. dated 19.10.2015, the CLCS Scheme was presently in operation upto 31.03.2017, no application will be accepted in online application and tracking system beyond 31st March, 2017. The decision on continuation of the CLCS scheme beyond 31<sup>st</sup> March 2017 will be communicated to the nodal banks / agencies, as soon as the approval of the Competent Authority in this regard is obtained.

**Q.3** When CLCSS was launched?

Ans. The Scheme was launched in the financial year 2000-2001.

**Q.4** What were the salient features of the CLCSS?

Ans. Under the scheme, 15 per cent capital subsidy, limited to maximum of Rs 15 lakh is provided to the eligible MSEs for upgrading their technology with the well-established and improved technology as approved under the scheme.

**Q.5** How many products/ sub-sectors have been approved under the CLCSS ?

Ans. 51 products/sub-sectors have been approved under the CLCSS till date.

**Q.6** How can I get benefit under the Scheme?

Ans. If you are a MSE manufacturing a product and want to upgrade the technology of manufacturing the product with the well established and improved technology as approved under the Scheme, the unit can approach to the nodal Banks/Agencies /Eligible financial institution for sanction of term loan for purchase of eligible machinery. The financial institutions /nodal banks/agency will sanction & recommend the subsidy eligible applicant to this office. To know more about this scheme, please follow the link-  
[http://www.my.msme.gov.in/MyMsme/Reg/COM\\_ClcssAppForm.aspx](http://www.my.msme.gov.in/MyMsme/Reg/COM_ClcssAppForm.aspx).

**Q.7** Which are the Nodal Agencies for implementation of CLCSS ?

Ans. Small Industries Development Bank of India(SIDBI), National Bank for Agriculture and Rural Development(NABARD), Canara Bank, Bank of Baroda, Bank of India, The Tamilnadu Industrial Investment Corporation Limited, Chennai (TIICL), Andhra Bank, State Bank of India, Punjab National Bank, Corporation Bank and Indian Bank are the nodal Bank/Agencies for implementation of the CLCSS. Contact details for Nodal Banks/Agencies are available on the official website of this office link i.e. [http://www.dcmsme.gov.in/schemes/Credit\\_link\\_Scheme.htm](http://www.dcmsme.gov.in/schemes/Credit_link_Scheme.htm)

**Q.8.** Whether the Scheme is applicable for new MSEs ?

Ans. Yes.

**Q.9.** Is CLCSS applicable for medium and large scale Enterprises ?

Ans. No, till date only Micro and Small Scale Enterprises (MSEs)(existing & new) are eligible under CLCSS.

**Q10.** What are new steps will have been taken by the Ministry for effective implementation of CLCSS.

Ans. Management Information System (MIS) is being developed for online submission of application.

**Q.11** Is there any web-site where from I can get more details of the CLCSS?

Ans. Yes,“[www.dcmsme.gov.in](http://www.dcmsme.gov.in)” under Technology Up- gradation - CLCSS.

**Q12.** What is the mechanism for disbursement of subsidy to the unit?

Ans. Subsidy is being released to the concerned Nodal bank/agency and subsidy is to be kept in the form of Term Deposit Receipt (TDR) for 3 years by bank after release by Office of DC (MSME) in the concerned unit account and interest amount on the term loan should be reduced accordingly. The beneficiary unit shall remain in commercial production for a period of at least three years after installation of eligible plant & machinery on which subsidy under CLCSS has been availed. If the unit fulfils the condition, the TDR will be transferred to unit's account after three years.

Further, it is to clarify that there are two different conditions one is about the commercial production for a period of at least three years after installation of the eligible plant machinery on which subsidy under CLCSS has been availed and another is that Subsidy is to be kept in the form of TDR for 3 years. These two conditions and other conditions stipulated in the extant guidelines are to be fulfilled

by the beneficiary/PLIs before release of subsidy in the beneficiary's account.

**Q.13.** Is there any web-site where from I can get more details of the CLCSS?

Ans. Yes. Web-site is [www.dcmsme.gov.in](http://www.dcmsme.gov.in) under the tab 'Technology Upgradation'.

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