

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:4047  
ANSWERED ON:23.08.2005  
SCHEME ON CREDIT LINKED CAPITAL SUBSIDY  
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**Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:**

- (a): whether the Government has launched a scheme on credit linked capital subsidy;
- (b): if so, the details thereof;
- (c): the criteria fixed for getting assistance under this scheme; and
- (d): the number of SSI units are benefited by this scheme since its inception in the country, State-wise, particularly in Uttar Pradesh?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) : Yes, Sir.

(b) : The Government of India in the Ministry of Small Scale Industries (SSI) has been operating a scheme for technology upgradation for SSI, called the Credit Linked Capital Subsidy Scheme (CLCSS) since October 1, 2000. The Scheme provides for 12 per cent capital subsidy to SSI units, including tiny units, on institutional finance availed of by them for induction of well established and improved technology in selected sub sectors/products approved under the Scheme. The eligible amount of subsidy is calculated on the actual loan amount not exceeding Rs.40 lakh. The new SSI units which are registered with the respective State Directorates of Industries and have set up their units based on eligible technologies are also covered under the Scheme.

(c): The guidelines prescribed for availing subsidy under the CLCSS, inter alia, include the following:

(i) Capital subsidy under the Scheme shall be available only for such projects where term loans have been sanctioned by the eligible primary lending institutions (PLIs) on or after October 1, 2000.

(ii) The financial assistance by the eligible PLIs for technology upgradation will be need based. However, the 12 per cent capital subsidy support would be limited to the loan amounts given in the table below:

Sl. No.	Investment limit of loan eligible for available under the support# scheme	Maximum ceiling	Maximum subsidy
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1	Tiny units with investment in plant & machinery less than Rs.10 lakh.	Rs.8 lakh	Rs. 0.96 lakh
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2	Tiny units with investment in plant & machinery between Rs. 10 lakh to Rs.25 lakh.	Rs.20 lakh	Rs. 2.40 lakh
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3	Small units with investment in plant & machinery above Rs.25 lakh.	Rs 040 lakh	Rs. 4.80 lakh
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(# = The eligible subsidy would be calculated on the actual loan amount or maximum ceiling on loan.-eligible for subsidy, whichever is lower.)

(iii) Units availing of subsidy under the CLCSS shall not avail of any other subsidy for technology upgradation from Central/State/UT Government. However, units in the North Eastern-Region which are availing of financial incentives/subsidy under any scheme of the Governments in the region would also be eligible for subsidy under the CLCSS.

(iv) Replacement of existing equipment/ technology with the same equipment/technology will not qualify for subsidy under this Scheme. This Scheme is also not applicable to units upgrading their technology with second hand machinery.

(d) : The State-wise details of the number of units assisted under the CLCSS (including those in Uttar Pradesh) since the inception of the Scheme are as under:

SI. No. State Number of units#

1	Andhra Pradesh	74
2	Bihar	05
3	Chattisgarh	16
4	Delhi	46
5	Goa	02
6	Haryana	38
7	Jharkhand	02
8	Karnataka	66
9	Kerala	02
10	Madhya Pradesh	20
11	Maharashtra	90
12	Gujarat	28
13	Orissa	02
14	Punjab	59
15	Rajasthan	56
16	Tamilnadu	309
17	Uttar Pradesh	42
18	West Bengal	08

TOTAL 865

# = Up to end July, 2005