

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJAY SABHA
UNSTARRED QUESTION NO. 2982
TO BE ANSWERED ON 22.03.2021

Credit Linked Capital Subsidy Scheme

2982. Shri Prabhakar Reddy Vemireddy:

Will the Minister of *Micro, Small and Medium Enterprises* be pleased to state:

- (a) the aims and objectives of Credit Linked Capital Subsidy (CLCS) Scheme;
- (b) in what manner the scheme has become successful for Micro, Small and Medium Enterprises (MSMEs) sector;
- (c) whether it is a fact that allocation for CLCS has come down from ₹ 1,000 crores in Budget Estimates (BE) 2020-21 to just ₹ 200 in BE 2021-22;
- (d) whether it is also a fact that the allocation is less than actuals of 2017-18; and
- (e) if so, in what manner the Ministry is planning to manage the scheme with depleted allocation?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a): The Credit Linked Capital Subsidy CLCS Component of CLCS-TU Scheme aims at facilitating technology up-gradation by providing capital subsidy to MSE units, on institutional finance (credit) availed by them for modernization of their plant and machinery involved in manufacturing process and equipment for rendering services, as the case may be.

(b): The scheme has benefited a total number of 76759 Micro and Small Enterprises since its inception by providing them with the capital subsidy to the tune of Rs. 4867.58 crore to enable them to upgrade their technology.

(c) to (e): As per the approval given by the Government, the Credit Linked Capital Subsidy Component of Credit Linked Capital Subsidy - Technology Up-gradation Scheme was in operation only up to 31.03.2020. Ministry of MSME had sought additional allocation under this component in the Financial Year 2020-21 in order to clear the accumulated past subsidy claims for the reference year 2018-19 and 2019-20. Allocation of Rs 200 crore in the BE of Financial Year 2021-22 is kept only to cater to the balance requirement of funds for pending claims, contingent liabilities etc.
