

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 534**  
**TO BE ANSWERED ON 22.07.2021**

**Credit Linked Capital Subsidy Scheme**

534. SHRI NALIN KUMAR KATEEL:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the aims and objectives of Credit Linked Capital Subsidy Scheme (CLCSS) – Technology Upgradation Scheme;
- (b) the manner in which the scheme has become successful for MSME sector;
- (c) the funds released to MSMEs during 2019-20 and the number of MSMEs benefitted;
- (d) whether the total outlay to all the Technology upgradation and quality certification schemes has been slashed from Rs.683.91 crore to Rs. 330.31 crore in 2021-22;
- (e) if so, the manner in which the Government is planning to manage the scheme with depleted allocation; and
- (f) whether the Government proposes to expand CLCSS to benefit more small businesses and if so, the details thereof?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) & (b): Credit Linked Capital Subsidy (CLCS) component of Credit Linked Capital Subsidy – Technology Upgradation (CLCS-TU) Scheme was aimed at facilitating technology up-gradation in Micro and Small Enterprises (MSEs) by providing an upfront capital subsidy of 15 percent to the MSEs on institutional finance availed by them for induction of well-established and improved technology in the specified sub-sectors/products approved under the scheme. The scheme has benefitted around 87,989 units by providing them with total capital subsidy of Rs 5685.87 crore since its inception in the year 2001-02.

(c): During the period 2019-20, funds to the tune of Rs 554.69 crore were released to the implementing agencies/banks for settling the subsidy claims submitted by 7779 Micro and Small Enterprises.

(d) to (f): Technology Upgradation and Quality Certification is the Budget head under which funds are allocated for Credit Linked Capital Subsidy & Technology Up- gradation Scheme. This scheme has two components namely Credit Linked Capital Subsidy Component and Technology Upgradation Scheme Component. The first component i.e Credit Linked Capital Subsidy Component, as approved by the Government, was in operation till 31.03.2020 only. The allocation under this component in FY 2020-21 was meant for settling the subsidy claims submitted till 31.03.2020. As bulk of the subsidy claims under the scheme has been liquidated during previous years, the allocation for FY 2021-22 has been reduced.

\*\*\*\*