Credit Linked Capital Subsidy Scheme (CLCS-TU)

Ministry: Ministry of Micro, Small and Medium Enterprises (MSME)

1. Eligibility Criteria

- MSMEs planning **technology upgradation**
- Must invest in **new and approved machinery/technology**
  - Second-hand machinery is **not allowed**
- Applicable to **51 specified sub-sectors/technologies**
- Maximum eligible loan limit: **₹1 crore**
- Must apply through **Primary Lending Institutions (PLIs)**

a) Eligible Entities:

- Sole Proprietorships
- Partnership Firms
- Cooperative Societies
- Private Limited Companies
- Public Limited Companies

b) Priority Categories:

- SC/ST entrepreneurs
- Women entrepreneurs
- Units in:
  - North Eastern Region (NER)
  - Hilly states
  - Aspirational districts

2. Benefits

- **15% capital subsidy** on institutional credit
- Maximum subsidy up to **₹15 lakh**

a) Financial Impact:

- Reduces **loan burden and capital investment cost**
- Supports **technology upgradation and modernization**

b) Business Improvements:

- Enhances:
    - Productivity
    - Product quality
    - Market competitiveness

c) Sustainability Focus:

- Encourages:
    - Energy-efficient technologies
    - Environment-friendly processes

d) Coverage:

- Includes:
    - Tiny industries
    - Khadi, village, and coir units

3. How to Apply

- Apply through:
    - Banks, or
    - Recognized nodal agencies such as Small Industries Development Bank of India and National Bank for Agriculture and Rural Development

Process:

- Register on the **Udyam Portal**
- Select **approved machinery/technology**
- Apply for a **term loan** through a PLI
- Submit:
    - Loan application
    - Subsidy-related documents
- Bank:

    - Sanctions loan
    - Uploads claim via **MIS portal**
- Nodal agency:
    - Verifies and approves claim
- **Subsidy is credited** to the loan account

4. Documents Required

- Detailed **project report** (technology upgradation)
- Machinery quotations (approved equipment)
- **Udyam Registration Certificate**
- KYC documents (Identity & Address proof)
- Loan application documents

a) Financial Documents:

- Audited balance sheets (existing units)
- Projected financials (new units)

b) Application Requirement:

- Duly filled **CLCS-TU application form**

Official Website

https://dcmsme.gov.in