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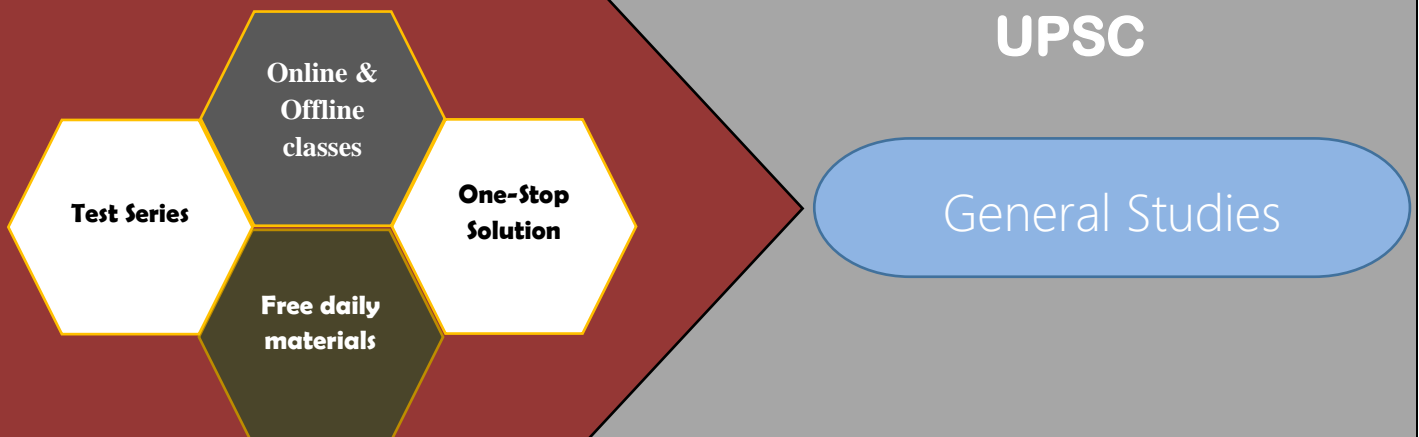
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Special Credit Linked Capital Subsidy Scheme:

Notes for civil services preparation



Special Credit Linked Capital Subsidy Scheme: MSME

Recently, the Ministry of Micro, Small and Medium-sized Enterprises (MSMEs) launched the Special Credit Linked Capital Subsidy Scheme (SCLCSS) for the services sector.

Key Points

- **About:**
 - The scheme will **help in meeting the technology-related requirements of enterprises in the services sector.**
 - It has a **provision of 25% capital subsidy for procurement of plant and machinery and service equipment** through institutional credit to the **Scheduled Caste - Scheduled Tribe MSMEs** without any sector-specific restrictions on technology up-gradation.
- **Significance:**
 - It will **facilitate technology up-gradation to MSEs, improvement in Quality of services by MSMEs**, enhancement in productivity, reduction in waste and shall promote a culture of continuous improvement.
 - It will also **promote the innovation, digital empowerment and design interventions of MSMEs.**
- **Credit Linked Capital Subsidy Scheme for Technology Upgradation:**
 - It was **launched in 2000.**
 - The objective of the Scheme is to **facilitate technology up-gradation in MSEs by providing an upfront capital subsidy of 15%** (on institutional finance of upto Rs 1 crore availed by them) for induction of well-established and improved technology in the specified 51 sub- sectors/products approved.
 - In other words the major objective is to **upgrade their plant & machinery with state-of-the-art technology**, with or without expansion and also for new MSEs which have set up their facilities with appropriate eligible and proven technology duly approved under scheme guidelines.