OFFICE MEMORANDUM

Sub: Eligibility of Micro & Small Enterprises to claim subsidy under CLCSS for more than one sub-sector – reg.

Few Nodal Agencies have sought clarifications regarding eligibility of Micro & Small Enterprises to claim subsidy under CLCSS for more than one sub-sector. The matter has been examined in this office and competent authority has decided that henceforth MSEs may claim for subsidy under CLCSS for more than one sub-sector as specified in revised guidelines of CLCSS dated 20.04.2006 and supplements issued by this office from time to time on following conditions:

1. MSEs should be registered for the said sub-sectors and engaged in its production (for existing units) and proposed to be engaged in production (for new units);
2. Registration date should be prior to date of application for Term Loan as well as for subsidy under CLCSS;
3. Subsidy should be calculated for each sub-sector separately and it should be clearly mentioned by the Nodal Agency in the sanction letter for release of subsidy. The total subsidy inclusive for all sub-sectors should be restricted to maximum limit of Rs.15.00 lakh or 15% of cost of eligible Plant & Machinery covered under CLCSS, whichever is less;
4. The Nodal Agency should ensure that Plant & Machinery for which subsidy has been approved under different sub-sectors should be utilised for the specified purpose only and the conditions under CLCSS as per instructions issued by this office vide OM No. 22/CLUTUS/RF-I/SID1/11-12 dated 13.03.2012 and supplements thereof, have been fulfilled. If required, Bank may take undertaking from the unit in this regard;
5. In case the unit does not fulfil the conditions as specified above for a particular sub-sector, then the Nodal Agency should restrict the release of subsidy for only those sub-sectors in respect of which, the unit has fulfilled the above conditions;
6. These instructions will be applicable for only those units whose Term Loan has been sanctioned by the eligible PLI on or after the date of issue of this Office Memorandum.

This issues with the approval of Director (CLCSS).

1. Shri R.N. Yadav, GM, SIDBI, Lucknow
2. Shri D.M. Gedam, Chief Manager, BOI, Mumbai
3. Shri K. Malligaraj, DGM, NABARD, Mumbai
4. Shri A. K. Patil, Chief Manager, SBI, Mumbai
5. Shri R.K. Ganguli, Chief Manager, PNB, NDLH
6. Shri Raminder Pal Singh, DM, Canara Bank, Bangalore
7. Shri B.K. Bansal, GM, BOB, Mumbai
8. Shri V.P. Dinakara Babu, GM, TIICL, Chennai
9. Shri K. Sitaram Prasad, AGM, Andhra Bank, Hyderabad
10. Shri G.R. Meena, AGM, SBBJ, Jaipur