No.-19(1)/2016-SME
Government of India
Ministry of Micro, Small and Medium Enterprises
SME Section

Udyog Bhavan, New Delhi
Dated: 17 May, 2017

Office Memorandum

Subject: Guidelines of Special Credit Linked Capital Subsidy Scheme (SCLCSS) for MSEs under National Scheduled Castes and Scheduled Tribes Hub Scheme-reg.

I am directed to inform that competent authority has approved a scheme of Special Credit Linked Capital Subsidy Scheme (SCLCSS) under National SC/ST Hub Scheme to facilitate purchase of plant & machinery by providing 25 percent upfront capital subsidy to the existing as well as new SC/ST owned Micro and Small Enterprises. The Office of Development Commissioner, Ministry of Micro, Small and Medium Enterprises(MSME) would be the implementing agency of this scheme. A copy of the guidelines of the scheme is enclosed for information and necessary action.

2. This issues with the approval of Secretary, MSME.

17/5/17

(K.S. Ngangbam)
Deputy Director
Tel. 23063142

Encl: As above

Copy to:

(i) CEO,NITI Aayog, Yojana Bhawan, New Delhi.
(ii) Secretary, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi.
(iii) Secretary, Department of Social Justice & Empowerment, Shastri Bhawan, New Delhi.
(iv) Secretary, Department of Expenditure, North Block, New Delhi.
(v) AS&DC/ AS&FA(MSME).
(vi) JS(SME)/JS(ARI)/ JS(TC)/ DDG, MSME.
(vii) The Chairman-cum-Managing Director, NSIC with the request to forward the copy of the guidelines to all Nodal Agencies and Primary Lending Institutions.
(viii) The Chief Executive Officer, KVIC.
(ix) The Secretary, Coir Board.
(x) Director General, NIMSME, Hyderabad
(xi) Director, Mahatma Gandhi Institute for Rural Industrialization (MGIRI).
(xii) All Director, MSME-DI.

Copy to:

i. PS to Minister(MSME)/PS to MoS(MSME)(GRS)/PS to MoS (MSME) (HPC)
PPS to Secretary(MSME)
ii. Shri Shubhendu, Director (Technical), NIC with the request to upload it on the website of the Ministry.

Guidelines

Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises

1. Background:

Manufacturing has emerged as one of the high growth sectors in India. 'Make in India' program has been launched to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

Presently, the Ministry of Micro, Small and Medium Enterprises (MSME) is operating a scheme for technology upgradation of Micro & Small Enterprises called the Credit Linked Capital Subsidy Scheme (CLCSS). CLCSS aims at up-gradation of technology and 15% (subject to maximum of Rs.15.00 lakhs) upfront subsidy on capital investment for technology upgradation is provided to micro and small enterprises for modernization of their production equipment (plant and machinery).

As being the case with MSE sector in general, SC/ST owned MSEs continue with outdated technology and plant & machinery and due to lack of awareness and inadequate finance, the problem gets further compounded and put them in disadvantageous position as they lose out on economy of scale. The existing CLCSS has been able to benefit negligible number of SC/ST MSEs. The Public Procurement Policy mandates each Central Ministry/Deptt./PSUs to procure at least 4% of its total annual procurement requirement from SC/ST owned MSEs. In order to make SC/ST MSEs more participative in the public procurement, it is imperative to promote new enterprises and support the existing enterprises in their expansion. Hence, a new scheme providing assistance in the form of subsidy for capital investment in plant & machinery, linked to credit, is requirement of the day.

2. National SC-ST Hub:

Hon'ble Prime Minister of India has launched the Scheme of National SC-ST Hub (NSSH) on 18.10.2016. Ministry of MSME, Govt. of India has formulated a scheme with an outlay of Rs. 490 crore (2016-2020) for creation of NSSH with an objective to provide professional support to SC/ST enterprises in public procurement , adopt applicable industry practices and leveraging Stand-up India initiative. The Hub is operating out of the National Small Industries Corporation (NSIC), a CPSE under Ministry of MSME. In order to achieve the above objectives, the Hub will be closely working with various stakeholders including Industry Association, Incubators,

Mentors, MSME-Development Institutes (MSME-DIs), District Industries Centres (DICs), CPSEs and State Governments.

The guidelines dated 25.7.2016 for creation of National SC-ST Hub, inter-alia, mandates to create Special Credit Linked Capital Subsidy Scheme (CLCSS) with 25% capital subsidy, overall investment ceiling of Rs.1 crore without any restriction on the sectors or machinery & technology for SC/ST enterprises.

3. Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises

i. Objective

The scheme aims at facilitating purchase of plant & machinery by providing 25 per cent upfront capital subsidy to the existing as well as new SC/ST owned MSEs on institutional finance availed of by them. The objective of this scheme is to promote new enterprises and support the existing enterprises in their expansion for enhanced participation in the public procurement.

ii. Scope of the Scheme

- The scheme would cover existing SC/ST MSEs for upgradation or expansion as well as new SC/ST MSEs.
- The scheme would cover purchase of all plants & machinery without any restriction on the technologies but subject to Consent/NOC from Pollution Control Board.
- Industries covered under RED category as per the Classification of industries for consent management (Schedule- VIII, rules 3(2) and 12 of Ministry of Environment & Forests, Govt. of India) shall not be eligible for subsidy under above scheme.
- The scheme shall be applicable only for the purchase of Plant & Machinery eligible for Term Loan from the Prime Lending Institutions (PLIs).
- This scheme shall be applicable to the eligible enterprises where term loan has been sanctioned by the PLIs **on or after the date of notification** of the scheme.

iii. **Eligible Beneficiaries**

Sole Proprietorships, Partnerships, Co-operative societies, Private and Public limited companies owned by SC/ST Entrepreneurs of MSE sector engaged in the manufacturing activities are eligible for seeking assistance under this scheme. The existing enterprises should have obtained registration under **Udyog Aadhaar Memorandum** as well as have enrolled in the **MSME Data Bank**.

Office of the DC (MSME), Ministry of MSME vide its memorandum no. **F. No. 22(1)/2012-MA** dated 20th February 2014 clarifies the definition of SC-ST Enterprises as under:

Definition of SC/ST Enterprises

a. In case of proprietary MSE, proprietor shall be SC/ST
b. In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit
c. In case of private limited companies, at least 51% shares shall be held by SC/ST promoters.

iv. **Implementing Agency**

The implementing agency would be Office of DC (MSME).

v. **Nodal Agencies**

The Nodal Agencies approved for CLCSS scheme would act as Nodal Agencies for SCLCSS also. Accordingly, Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD) and below mentioned banks will act as nodal banks/agencies for implementation and release of capital subsidy under the scheme:

1. State Bank of India
2. Canara Bank
3. Bank of Baroda
4. Punjab National Bank
5. Bank of India
6. Andhra Bank
7. State Bank of Bikaner & Jaipur
8. Tamil Nadu Industrial Investment Corporation

The above banks would consider proposals only in respect of credit approved by their respective branches, whereas, for other Primary Lending Institutions (PLI), the SIDBI and the NABARD would be the nodal agencies for release of subsidy under this scheme.

vi. **Primary Lending Institutions (PLI)**

All Scheduled Commercial Banks, Scheduled Cooperative Banks [including the urban cooperative banks co-opted by the SIDBI under the Technological Upgradation

Fund Scheme (TUFS) of the Ministry of Textiles], Regional Rural Banks (RRBs), State Financial Corporations (SFCs) and North Eastern Development Financial Institution (NEDFI) are eligible as PLI under this scheme after they execute a General Agreement (GA) with either of the nodal agencies i.e. SIDBI or NABARD.

Details of eligible Scheduled Commercial Banks, SFC, Cooperative Banks [including urban cooperative banks co-opted by the SIDBI under the Technological Upgradation Fund Scheme(TUFS) of the Ministry of Textiles]/ and RRBs under this scheme are provided at **Appendix-A.**

This scheme shall also be implemented through other Nodal agencies notified from time to time by Ministry of MSME. Nomination of Nodal Agencies will be a continuous process.

vii. Eligibility Criteria

a. Capital subsidy @ 25% of the Term Loan sanctioned for purchase of plant and machinery shall be available under the Scheme. This would be applicable for proposals/projects, where Term Loans have been sanctioned by the PLIs **after notification of this scheme.**

b. Eligibility for capital subsidy under the Scheme is not linked to any refinance Scheme of the Nodal Agency (ies). Hence, it is not necessary that the PLI will have to seek refinance in respect of the term loans sanctioned by them from any of the refinancing Nodal Agencies.

c. SC/ST Units graduated from small scale to medium scale are eligible for subsidy under SCLCSS for a period of three years from the date of graduation.

d. Industry graduating from small scale to medium scale on account of sanction of additional loan under this scheme shall be eligible for assistance.

viii. Subsidy & Ceiling on eligible loan amount

- Under the scheme, 25 per cent capital subsidy, limited to maximum of Rs. 25 lakh is provided to the SC/ST Micro and Small Enterprises on institutional finance availed of by the eligible SC/ST Enterprises for purchase of Plant & Machinery in the form of Term Loan. The maximum eligible loan under this scheme is Rs. 1 Crore for capital investment in Plant & Machinery.

- SC/ST owned MSEs who have already availed subsidy under the existing CLCSS, before the date of notification of this scheme, cannot claim additional subsidy on account of difference in the rate of subsidy which is now permissible under this scheme.

- In calculating the value of plant & machinery, the following shall be excluded, namely:

a. The cost of equipments such as tools, jigs, dies, moulds and spare parts for maintenance and the cost of consumable stores;
b. The cost of installation of plant & machinery;
c. The bank charges /service charges paid to the State Small Industries Corporation;
d. The cost involved in procurement or installation of cables, wiring, bus bars, electrical control panels (not those mounted on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant & machinery or for safety measures;
e. Transportation charges (excluding of sales-tax and excise) for indigenous machinery from the place of manufacturing to the site of the factory;
f. Charges paid for technical know-how for erection of plant & machinery;
g. Cost of such storage tanks which store raw materials, finished products only and are not linked with the manufacturing process; and
h. Cost of fire-fighting equipment.

ix. Duration of the Scheme

The Scheme shall remain valid till 31-3-2020 subject to availability of funds which means that subsidy to PLIs can be disbursed up to 31-03-2020. Further continuation of the Scheme shall be subject to review/ evaluation.

x. Working Capital Requirements

Since success of this scheme to a large extent would depend upon the availability of adequate working capital, lending institutions would like to be assured that the borrowing units have made adequate arrangements for meeting the working capital requirements. The banks should also accord priority in providing adequate working capital support to the assisted units.

xi. Other conditions for loans

a. Promoters' contribution, security, debt-equity ratio, up-front fee, etc. will be determined by the lending agency as per its existing norms.

b. Cases covered under National Equity Fund (NEF) Scheme, which are otherwise eligible under this scheme can also be covered under this scheme. Besides, SC/ST MSEs which are availing financial incentives/subsidy under any other scheme from the Government would be eligible for subsidy under this scheme.

xii. Procedural Aspects

a. All the eligible PLIs (excluding the nodal banks / agencies as mentioned above) will have to execute a General Agreement (GA) with either of the nodal agencies for availing capital subsidy under the scheme, irrespective of the fact whether refinance is availed by them or not.

b. After sanction of the assistance, the eligible PLI will get an agreement executed with the concerned SC/ST MSE on behalf of Government of India (GoI). Format of the agreement to be executed by the eligible PLI with the SC/ST MSE is provided in **Appendix-B.**

c. The PLI would obtain application for assistance under the scheme in the prescribed form provided in **Appendix-C.**

d. The PLI shall furnish subsidy forecast on quarterly basis, through their Head Office (HO), which will act as a nodal office, to the Regional Office (RO)/Branch Office (BO) of the SIDBI or the NABARD (as the case may be) located in the region. The subsidy forecast information for every quarter on or before 1st March for April-June quarter, on or before 1st June for July- September quarter, on or before 1st September for October-December quarter and on or before 1st December for January-March quarter, may be furnished as per prescribed format.

e. The PLI would release the subsidy amount with each instalment of loan in a manner proportionate to the amount of term loan disbursed (on pro- rata basis), subject to the ceiling of the term loan/ subsidy amount as per applicable guidelines of the scheme.

f. The eligible PLI shall furnish details of release of subsidy to the beneficiary units, together with the request for replenishing advance money placed with PLI for release of subsidy, on quarterly basis on March 1, June 1, September 1 and December 1. The requests of PLI for replenishment of advance money for subsidy, however, would be entertained by the nodal agencies only on receipt of complete details of subsidy released to the beneficiary units.

g. The PLI shall be responsible for ensuring eligibility for sanction of subsidy to the SC/ST MSE in terms of establishing category and its status with documentary support under this scheme and also for disbursal and monitoring of the assisted units.

xiii. Time Limit for applying for Subsidy

Eligible claim with reference date (date of release of last instalment of term loan) of each quarter should reach up to the end of next quarter. For example, if reference date falling between 1st January, 2018 to 31st March, 2018 the claim should be forwarded latest by 30th June, 2018 to Ministry of MSME.

xiv. Mechanism for disbursement of subsidy to the unit

Subsidy is to be kept in the form of Term Deposit Receipt (TDR) for 3 years by PLI after release by the Ministry of MSME in the concerned unit's account and interest amount on the term loan shall be reduced accordingly. The beneficiary unit shall remain in commercial production for a period of at least three years after installation of eligible plant & machinery on which subsidy under SCISS has been availed. If the unit fulfils the condition of regular payment of loan instalments, the TDR will be transferred to unit's account after three years.

xv. Other Parameters

a. The Governmental assistance cannot be utilised for the purposes other than for which it has been sanctioned. The eligible PLI shall have to strictly follow this norm and no deviation would be permitted.

b. In case, it is found that capital subsidy from the Government has been availed of on the basis of any false information, the industrial unit shall be liable to refund the Government the capital subsidy availed, along with interest to be charged from the date of disbursal to the date of refund. The rate of interest shall be the prime lending rate of the PLIs concerned at the time of invoking this penal clause.

c. The eligible PLI shall, therefore, incorporate suitable conditions in respect of point at (b) above in their security documents entered into with the unit, which would give necessary authorisation to proceed legally in such eventualities.

d. The credit risk under the Scheme will be borne by the eligible PLI and as such, they will have to make their own commercial judgement while appraising the project. The credit decision of the eligible PLI will be final.

e. There shall not be any binding obligation on the part of the nodal banks/ agencies to obtain sanction from Ministry of MSME for the government assistance in respect of the proposals which are covered under this scheme.

f. Both the SIDBI and the NABARD shall have the right to inspect the books of eligible PLI and the loan accounts irrespective of whether refinance is availed or not from the Nodal Agency(ies) under this Scheme and/ or call for any other information as may be required by from time to time.

g. Both the SIDBI and the NABARD shall have the right to recall from eligible PLI the entire amount of the capital subsidy in respect of their assisted units irrespective of whether or not the eligible PLI have recovered the said subsidy from their units, if they come to the conclusion that any of the accounts do not conform to the policies, procedures and guidelines laid down under the SCLCSS guidelines and as stipulated by the Ministry of MSME/the Nodal Agencies from time to time.

h. The beneficiary unit shall remain in commercial production for a period of at least three years after installation of eligible plant and machinery on which subsidy under this scheme has been availed.

xvi. Online system of Application

For effective implementation and transparency, Online Application and Tracking System is adopted for submission of online application by concerned Nodal Banks.

However, no individual SC/ST MSE can directly apply for subsidy but banks will forward the application to Ministry of MSME.

xvii. Monitoring of the scheme

This scheme shall be monitored by the Ministry of MSME on regular basis. Any proposal for changes/amendments in this scheme shall be placed before Empowered Project Approval Committee for approval.

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Appendix-A

Small Industries Development Bank of India (SIDBI)

List of Primary Lending Institutions (PLI)

1. **BANKS**

A. **State Bank Group**

1. State Bank of India
2. State Bank of Indore
3. State Bank of Mysore
4. State Bank of Bikaner & Jaipur

B. **Public Sector Banks**

1. Andhra Bank
2. Bank of Baroda
3. Bank of India
4. Canara Bank
5. Central Bank of India
6. Corporation Bank
7. Indian Overseas Bank
8. Punjab National Bank
9. Punjab & Sind Bank
10. Union Bank of India
11. UCO Bank
12. Vijaya Bank
13. Bank of Maharashtra
14. United Bank of India
15. Oriental Bank of Commerce
16. Indian Bank
17. Allahabad Bank

C. Private Sector Banks

1. City Union Bank Ltd.
2. Karnataka Bank Ltd.
3. Tamil Nadu Mercantile Bank Ltd.
4. Bank of Rajasthan Ltd.
5. Bharat Overseas Bank
6. Karur Vysya Bank Ltd.
7. J & K Bank Ltd.
8. United Western Bank
9. ING Vysya Bank
10. UTI Bank Ltd.
11. Federal Bank Ltd.
12. Catholic Syrian Bank

D. SFCs

1. Gujarat State Financial Corporation
2. Haryana Financial Corporation
3. J & K State Financial Corporation
4. Madhya Pradesh Financial Corporation
5. Maharashtra State Financial Corporation
6. Orissa State Financial Corporation
7. Punjab Financial Corporation

8. Tamil Nadu Industrial & Investment Corporation Ltd.
9. Uttar Pradesh Financial Corporation
10. West Bengal Financial Corporation
11. Karnataka State Financial Corporation
12. Andhra Pradesh State Financial Corporation
13. Rajasthan State Industrial Development & Investment Corporation

E. Other Institutions:
The Small Industries Development Bank of India (SIDBI)

Urban Cooperative Banks co-opted by the SIDBI under the TUFS operated by the Ministry of Textiles

S.N.	Name of the Urban Cooperative*	Head Office
1	Shamrao Vithal Cooperative Bank	Mumbai
2	Rupee Cooperative Bank	Pune
3	Sangli Urban Cooperative Bank Ltd.	Sangli
4	Surat People's Cooperative Bank Ltd.	Surat
5	Kalupur Commercial Cooperative Bank Ltd.	Ahmedabad
6	Rajkot Nagarik Sahakari Bank Ltd.	Rajkot
7	Cosmos Cooperative Bank Ltd.	Pune
8	Abhyudaya Cooperative Bank Ltd.	Mumbai
9	Saraswat Cooperative Bank Ltd.	Mumbai
10	Mumbai Mercantile Cooperative Bank Ltd.	Mumbai.
11	The A.P. Mahesh Cooperative Urban Bank Ltd.	Hyderabad
12	The Ahmedabad Mercantile Cooperative Bank Ltd.	Ahmedabad
13	The Surat Textiles Traders Cooperative Bank Ltd.	Surat
14	Janata Cooperative Bank Ltd.	Nasik
15	Textile Cooperative Bank Ltd.	Bangalore
16	Ichalkaranji Janata Sahakari Bank Ltd.	Kolhapur
17	The Sarvodaya Sahakari Bank Ltd.	Surat
18	Surat National Cooperative Bank Ltd.	Surat
19	Solapur Nagari Audyogik Sahakari Bank	Solapour
20	The Bharat Cooperatives Bank (Mumbai) Ltd.	Mumbai
21	The Gujarat Industrial Cooperative Bank Ltd.	Surat
22	Prime Cooperative Bank Ltd.	Surat
23	The Nasik Merchants Cooperative Bank Ltd.	Nashik
24	Apna Sahakari Bank Ltd.	Mumbai
25	Dombivili Nagari Sahkari Bank Ltd.	Mumbai
26	The Surat District Cooperative Bank Ltd.	Surat
27	The Zoroastrian Cooperative Bank Ltd.	Mumbai
28	Parasik Janata Sahakari Bank Ltd.	Thane
29	The Varchha Cooperative Bank Ltd.	Surat
30	Shree Warana Sahakari Bank Ltd.	Warnanagar
31	Jalgaon Janata Sahakari Bank	Jalgaon
32	The Kapol Cooperative Bank Ltd.	Surat
33	The Shirpur Peoples Cooperative Bank Ltd.	Shirpur((Dhule)
34	Rajkot Nagarik Sahakari Bank Ltd.	Surat
35	Shri Veershaiv Cooperative Bank Ltd.	Kolhapur
36	The Panchsheel Mercantile Cooperative Bank Ltd.	Surat
37	The Dhule Vikas Sahakari Bank Ltd.	Dhule
38	The Ichalkaranji Urban Cooperative Bank Ltd.	Ichalkaranji(Kolhapur)

39	The Udhna Citizen Cooperative Bank Ltd.	Surat
40	The Vita Merchants Cooperative Bank Ltd.	Vita(Sangli)

The above Urban Cooperative Banks will have to sign a "**General Agreement**" with either of the nodal agencies i.e. the SIDBI or the NABARD for claiming reimbursement of capital subsidy under the SCLCSS.

APPENDIX –B

(To be stamped as an Agreement)

Agreement for Financial Assistance under Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises

This Agreement made at.....on this .....day of..... in the year Two thousand.....between M/s.....a Public/Private Limited Company/Proprietary concern, incorporated under the Companies Act of 1956 and having its Registered Office at.....and being an industrial concern hereinafter called the Beneficiary(which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) of the One Part:

OR

FOR PARTNERSHIP FIRM

(i) Shri.....son of.....aged..... years residing at.....

(ii) Shri.....son of.....aged..... years residing at.....

(iii)Shri.....son of.....aged..... years residing at.....

carrying on business in partnership in the firm name and style of.....and having their office at.....(hereinafter referred to as 'Beneficiary' which expression shall, unless it be repugnant to the subject or context thereof, include its/his/her/their legal representatives, heirs, administrators, successors and assigns) of the One part.

AND

.....(hereinafter referred to as the financing institution/bank/which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) of the Other part.

WHEREAS

1. The Ministry of MSME appointed _____ as Nodal Agency (hereinafter referred to as the Agent) for channelising Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises under Ministry of MSME, Govt. of India (hereinafter referred to as "the Scheme") and permitting the financial institution/ bank under the scheme for claiming capital subsidy on the term loan sanctioned and disbursed by financing institution/ bank to the beneficiary.

2. The beneficiary has requested the financing institution/bank for providing assistance under the Scheme to the extent of Rs.....(Rupees.....only) for purchase of plant & machinery for setting up / expansion of Micro/Small Enterprise, which the financing institution/bank has agreed to lend in proportion to the investment made or to be made in purchase of machineries by the Beneficiary as per terms and conditions provided in the Agreement executed between the financing institution/bank and the Beneficiary.

3. The Agent has agreed to act as nodal agency for Government of India for channelising disbursement of capital subsidy sanctioned to the Beneficiary by the financing institution /bank, and the parties hereto desire to enter into an agreement for the said purpose, being these presents providing for the terms hereinafter appearing.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The Beneficiary, hereby, covenants:

a) That the Beneficiary will comply with and faithfully observe all terms and conditions of the said Scheme and also all the subsequent amendments and modifications and additions thereto together with the conditions of the sanction of the said financial assistance.

b) That the Beneficiary will allow the officers of the Agent and/or the Government of India or any other person or persons authorized, by the Agent or by Government of India to inspect the work for which the capital subsidy has been granted and also the machines, plant, appliances, tools, equipments, etc. for the procuring of which the subsidy has been granted and will furnish such information concerning the machines, plant implements, etc., for procuring of which the capital subsidy has been granted or concerning the matter connected with the capital subsidy or incidental thereto as the Agent or their nominees may, from time to time require.

c) That the Beneficiary will not change the place or location of the industrial unit entirely or partly, nor enter into partnership with any one, or change its constitution by merger, amalgamation or in any manner nor the Beneficiary effect disposal of fixed capital investment without the express prior permission of the Agent in writing.

d) The Beneficiary unit shall remain in commercial production for a period of at least three years after installation of eligible plant and machinery on which subsidy under SCISS has been obtained, otherwise, the entire amount of subsidy along with the interest to be charged from the date of disbursal to the date of refund will have to be refunded by the Beneficiary unit. This is except in cases where the unit remains out of production for short periods not exceeding three months due to reasons beyond

its control such as shortage of raw material / power, etc. to the satisfaction of the lending institution / concerned PLI.

2. It is further hereby agreed and declared by and between the parties hereto, that in any of the following cases, namely,

a) where the Beneficiary has obtained the capital subsidy by misrepresentation as to an essential fact, or by furnishing of false information; or,

b) where the Beneficiary fails to furnish the prescribed statement or information which it is called upon to furnish, If the Beneficiary commits breach of any one of the covenants herein contained or of the terms and conditions of the Scheme as amended from time to time, the Beneficiary shall refund the same forthwith to the financing institution/bank together with interest at the then prevailing prime lending rate of financing institution/bank.

3. The interpretation/clarification/decision of agent regarding the eligibility, subsidy and any other benefits of a unit/borrower under the Scheme, either before or after release of the loan facility by the financing institution/bank shall be binding on the beneficiary and the beneficiary will not raise any objection either against agent/financing institution/ bank.

4. It is hereby further agreed and declared that the stamp duty chargeable on these presents, shall be paid and borne by the Beneficiary and that the Beneficiary will also be liable to bear the expenses, if any, incurred by enforcing the terms and conditions of these presents.

IN WITNESS WHEREOF the Beneficiary has caused its common seal to be affixed hereto and to duplicate hereof on the day, month and year first hereinabove written and the financing institution/bank has caused these presents and the said duplicate to be executed by the hand of Shri.....(Name & Designation) of bank, as hereinafter appearing.

THE COMMON SEAL OF..... LIMITED has pursuant to the Resolution of its Board of Directors passed in that behalf on the.....day of ....hereunto been affixed in the presence of Shri .....and Shri.....Shri....., Director who have signed these presents in token thereof and Shri.....Secretary*/Authorised* person who has signed/countersigned the same in token thereof.

SIGNED AND DELIVERED BY the within named bank by the hand of Shri.....(Name & Designation), an authorized official of financing institution/bank.

OR

IN WITNESS WHEREOF the partners of the Beneficiary have set their respective hand hereto and to a duplicate hereof on the day, month and year first hereinabove written and bank has caused these presents and the said duplicate to be executed by the hand of Shri.....(Name & Designation) of financing institution/Bank as hereinafter appearing.

1)* SIGNED AND DELIVERED BY the within named Shri.....Partner of.....the within named Partnership Firm.

2)* SIGNED AND DELIVERED BY the within named .....By the hand of Shri.....in pursuance to the Board Resolution dated and common seal has been affixed in presence of Shri.....who has signed in token thereof.

SIGNED AND DELIVERED BY the within named FI/NSIC/Bank/SFC by the hand of Shri.....authorised official.
(*whichever is applicable).

Note: Relevant Board Resolution authorizing the person(s) to execute the document on behalf of the Beneficiary has to be submitted with the Agreement.

Appendix-C

Application Form for assistance under Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST Micro & Small Enterprises

(To be submitted in triplicate, Photocopies may be used)

1. Name of the firm/company.....

2.Constitution (Proprietary concern, partnership firm, Pvt. Ltd. Co., Public Ltd. Co., Coop. Societies)

3. Name(s) of sole proprietor/partners/directors.....
....

4. Category of borrower (SC/ST).....

5. Registered Office Address .....
.....
Pin.....
Phone No..... Fax.....
Email.....

6. Factory
Address.....Pin.....
Phone..... .....
Fax.....
Email.....
....

7. Location of factory – Backward/ Non backward area/North Est Region.....

8. Date of incorporation/commencement of production.....

9. Product(s)/Subsector.....

10. Installed capacity..... ....

11. Past Performance (for last three years on the basis of audited balance sheets – in respect of existing units. In respect of new units projections for next three years may be given).

a. Financial position

Rs. In lakh

		Financial Year (Y-1)	Financial Year (Y-2)	Financial Year (Y-3)
I	Net block			
II	Current assets			
III	Current liabilities			
IV	Term Loan			
V	Share Capital			
VI	Reserve & Surplus (less accumulated losses)			
VII	Networth(V+VI)			

b. Working Results

Rs. In lakh

		Financial Year (Y-1)	Financial Year (Y-2)	Financial Year (Y-3)
I	Total Sales			
II	Gross profit(Before interest & depreciation)			
III	Depreciation			
IV	Interest			
V	Operating Profit			
VI	Net Profit(after tax)			

12. Total cost of scheme (as approved by Bank/FI)(Rs. in lakh)

13. Total Sources of funding (as approved by Bank/FI) (Rs. in lakh)

    Term Loan.....

    Add share capital .....

    Internal accruals.....

    Capital Subsidy .....

14. Time frame for completion of the project.....

15. Incremental benefits from implementation of the project (indicate in terms of capacity utilization, increased sales, exports, reduction in cost of production, increase in productivity, quality upgradation, attainment of pollution standards – give quantitative results).

16. List of eligible plant and machinery along with their detailed specifications, rates, quantities and total value for which subsidy under SCISS is claimed.

DECLARATION

I/We, hereby declare that the information given above and the statement and other papers enclosed are to the best of our knowledge and belief are true and correct.

Place:

Signature(s)

Date:

Name and designation
Seal of the company