

A BRIEF ON CLCSS & TUFS

Suvidha Consultants Ltd. is a complete One-Stop-Consultancy House assisting clients in setting up of MSME/Large scale units. We have a focused approach towards Project Consultancy, Debt Syndication, assistance in securing Government Subsidies/Incentives and various statutory licenses/clearances.

We provide **End-to-End Solution** for getting various subsidies/incentives/financial assistances from the Central as well as State Government, especially financial assistance from Central Government under Credit Link Capital Subsidy Scheme (CLCSS) and Revised Restructured Technology Up-gradation Fund Scheme (RR-TUFS).

Credit Link Capital Subsidy Scheme (CLCSS) :

- ✓ Under CLCSS Scheme of Central Government, Capital Investment Subsidy @15% of the investment in eligible plant and machinery is available subject to max. of Rs. 15 lac in some specified products/sectors.
- ✓ Existing SSI units or new SSI which are registered with DIC (District Industries Centre) for setting up of their facilities with appropriate eligible and proven technology are entitled for this subsidy.
- ✓ Capital Subsidy under this scheme is available only for project where term loan has been sanctioned by the eligible Primary Lending Institution (PLI).
- ✓ All scheduled Commercial Banks, scheduled Cooperative Banks, Regional Rural Banks (RRB), State Financial Corporation (SFC) and North Eastern Development Financial Institution (NEDFI) are eligible as PLI under this scheme.
- ✓ Small Industries Development Bank of India (SIDBI) and National Bank for Agriculture and Rural Development (NABARD) are main nodal agency for implementation of this scheme.

Restructured Technology Up-gradation Fund Scheme (RR-TUFS) :

Effective date: The effective date for the Scheme starts from 01.04.2012 to 31.03.2017.

Cut-off date: Term Loans as sanctioned by the lending agencies on or after 01.04.2012 will be eligible to be considered for the grant of benefits under this scheme.

Segments covered under the Scheme :

TUFS benefits are available for TUFS benchmarked machinery covering the following segments:-

a) Cotton ginning & processing.
b) Silk Sector (i.e ,reeling, twisting, spinning and weaving).
c) Wool sector (i.e, seouring, combing, spinning(worsted, shoddy and woollen) and weaving.
d) Synthetic filament yarn texturising, crimping & twisting.
e) Stand alone Spinning.
f) Spinning with matching downstream capacity.
g) Manufacturing Viscose filament yarn / viscose staple fibre.
h) Independent weaving preparatory
i) Weaving.
j) Knitting.
k) Non-Woven sand converters of non- wovens.
l) Embroidery on standalone basis
m) Technical Textiles
n) Garment manufacturing
o) Made up manufacturing
p) Processing of fibres, yarn fabrics, garments and made ups
q) Jute Industry
r) Carpet manufacturing
s) Handloom weaving
t) Composite Up gradation,(i.e. unites going for up gradation in spinning, weaving /knitting / and processing)
u) Multi-activities (units with two or more activities simultaneously except composite up gradation mentioned above).In case of multi-activities the name of activities may be mentioned.

Subsidy/ Benefits under RR-TUFS:

Under RR-TUFS capital and interest re-imburement benefits are available depending upon the segment which are as under:-

- ✓ **Stand alone spinning units: 2% Interest Reimbursement (IR)** for new stand alone/ replacement/ modernization of spinning machinery.
- ✓ For units having spinning capacity with forward integration having matching capacity in weaving/ knitting/ processing/ garmenting: **5% IR**
- ✓ **Weaving:**
 - i. **6% IR and 15% capital subsidy** on brand new shuttleless looms or **30% Margin Money Subsidy (MMS)** on brand new shuttleless looms for powerloom sector.
 - ii. **2% IR or 8% MMS** on second hand imported shuttleless looms with **10 years vintage** and with a **residual life of minimum 10 years**.
 - iii. For 30% MMS - **capital ceiling caps of Rs. 5 Crores** and **subsidy cap of Rs. 1.5 Crores** would be adhered to for encouraging adequate investments by the MSME sector.
- ✓ **Processing: 5% IR and 10% capital subsidy** for specified processing machinery. CETP/ ETP will not be considered for support under RR-TUFS.
- ✓ **Garmenting: 5% IR and 10% capital subsidy** for specified machinery for garmenting units.
- ✓ **Technical Textiles (including non-wovens) and Jute Sector: 5% IR and 10% capital subsidy** for specified machinery required in manufacture of technical textiles. The technical textile units intending to avail of 10% capital subsidy will have to obtain a registration number from Office of the Textile Commissioner prior to becoming eligible for 10% capital subsidy.
- ✓ **Handloom & Silk Sector:** Option to choose from **5% IR or 30% capital subsidy** on benchmarked machinery.
- ✓ **MSMEs -5% IR or 15% MMS** with subsidy ceiling of **Rs. 75 Lakhs**
- ✓ **Other segments:** Other segments include – i) Cotton ginning & pressing; ii) wool scouring, combing & carpet industry; iii) synthetic filament yarn texturizing, crimping & twisting; iv) viscose staple fiber and viscose filament yarn; v) knitting & fabric embroidery; vi) weaving preparatory machines; vii) made up manufacturing; viii) CAD, CAM & Design studio and ix) Jute Industry – **5% IR**.

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