

Scheme: Share Capital Category

No. 3/40/2003/IND(Part)
Government of Goa,
INDUSTRIES DEPARTMENT,
Secretariat, Porvorim - Goa.
Dated:- 31st December, 2008.

NOTIFICATION

Whereas vide Notification No. 1/49/2000/S(IND)/Vol. II dated 04-08-2003, published in the Official Gazette, Extraordinary No.4 Series 1 No.18 dated 06.08.2003, the Government of Goa notified the Goa Industrial Policy, 2003 (hereinafter referred to as the "said Policy").

Now, in pursuance of clause 5.9 (iii) of the said Policy, the Government of Goa is pleased to frame the following Scheme, namely:

1. Short title and commencement

- 1) This Scheme shall be called the SHARE CAPITAL TO LOCAL ENTREPRENEURS AND SELF EMPLOYED SCHEME, 2008.
- 2) It shall come in force from the date of its publication in the Official Gazette, and shall remain in force upto 31st March, 2011.

2. Introduction - For effective implementation of the said policy, the Government of Goa is pleased to introduce the Share Capital to Local Entrepreneurs and Self-Employed Scheme, 2008. The Scheme is devised to encourage local youths preferably of Goan origin to start income generating activities by providing Share Capital Contribution for all activities related to Industrial and other self employment opportunities except those activities which are covered under Red category under the Industrial Policy and related to tobacco and liquor.

3. Objectives - The main objective of this Scheme is to encourage local youths to start income generating activities and to encourage self employment.

4. Eligibility -

- a) Individuals or Groups of individuals can avail this facility. Individuals who are born and residents for 15 years in Goa shall be given preference under this Scheme, though the Scheme does not bar others, who are residents of the State of Goa for at least 15 years prior to the application under this Scheme and have passed graduation or XII or X or schooling from the State of Goa. In case of groups of individuals, all persons in the group should satisfy the above criteria. Self help groups of women and disabled persons shall be given priority. Age criteria are also not applicable for those persons. This Scheme shall also cover those who are covered under Subsidy Scheme framed for black and yellow taxi/motorcycle/rickshaw drivers/owners for balance 75% of requirement. The age criteria will not apply for those who are applying for replacement of old taxi/motorcycle/rickshaws.
- b) Applicant shall be below 40 years of age to be eligible under this Scheme. In case of group (except incase of registered Self-Help Group), all the individuals shall be below 40 years of age. However, incase of women, disabled person, Scheduled Caste/Scheduled Tribes and other backward class person the age limit shall be relaxable by 5 years. Also, those applicants eligible for age relaxation under CMRY shall be considered under this Scheme automatically and no separate order of relaxation is required.
- c) Applicants shall be minimum VIIth passed. However, this requirement may be relaxed in deserving cases by a specific order of Director of Industries, Trade and Commerce. Also,

those granted relaxation under the CMRY Scheme, shall be considered under this Scheme automatically and no special order of relaxation is required.

- d) The income of the applicant along with spouse shall not exceed Rs.80,000/- per annum.
- e) The benefit under this Scheme shall not be available if the applicant has availed subsidy of more than 15% of the project cost under any other Scheme, and/or if any Scheme debar him specifically for receiving benefits under this Scheme. Those who can be covered under Kamdhenu Scheme shall not be covered under this Scheme except for setting up of dairy/chilling unit.
- f) Priority will be given to women entrepreneurs to the extent of 30% of budgeted outlay on the Scheme in case applicant exceeds total budgetary provision.
- g) All beneficiaries covered under CMRY Scheme are automatically covered under this Scheme and no separate order to that effect will be required. Certification by Managing Director, Economic Development Corporation to that effect is adequate.
- h) In case, if any difficulties arise in implementation of this Scheme, particularly in case of women self-help groups /disabled persons/SCs/STs/OBCs, the Scheme may be modified by the Government.

5. Quantum of Capital Contribution

- a) Contribution under this Scheme shall be Rs.2 lakhs per individual subject to the condition that it is 50% of total project cost. However, in case of applicant having professional qualification, degree or diploma in Engineering including qualification like I.T.I, Vocational XII or any other Government recognized Certificate course/training programme, the contribution may be increased upto Rs.3lakhs per individual, provided the business activity shall be linked/connected to his qualifications in broad sense and subject to the conditions that the contribution does not exceed 50% of the project cost.

The Scheme does not debar individual/group of individuals from availing additional loan from Economic Development Corporation or Banks but the same shall be separately applied for and approved by Economic Development Corporation or Banks concerned.

- b) In case of group of individuals, the maximum extent of capital contribution shall be Rs.10 lakhs subject to condition that the individual limit per head is not exceeded. There is no restriction on the number of members of the group.
- c) Those trained by the Goa Handicrafts Rural and Small Scale Industries Development Corporation or by the Khadi Village and Industries Board or Training cum Production Centre or from approved Non-Government Organizations or E.D.P. or under the Scheme of the Directorate of Education and have obtained Certificate of successful completion of training, shall be covered under this Scheme and will be treated as professional for the purpose of benefit under this Scheme.
- d) Applicants who are eligible for assistance under CMRY will be provided capital contribution under this Scheme subject to the condition that the contribution under this Scheme does not exceed 50% of the project cost. The eligibility criteria for such persons shall be governed by the CMRY Scheme.

6. Security - The self guarantee by the applicant/parents/spouse/parents of spouses along with one guarantor owning a residential accommodation or plot of land or any other property in the State shall be adequate security for the purpose of availing benefits under this Scheme. However, where the assets financed are fixed assets as tangible security and where the capital contribution is below Rs.50,000/- only, personal guarantee by the applicant and additionally by his parents or spouse or parents of spouse (even though they do not have any fixed assets or property) is adequate. In such cases, first charge of mortgage/hypothecation of fixed or current assets will be held by Director of Industries, Trade and Commerce/Economic Development Corporation or as decided by the Government.

Expl: Latest House Tax receipt of latest I/XIV Form is adequate proof of property.

7. Repayment –

- a) The Capital Contribution given under this Scheme should be paid back to the Government in equal monthly installments, within 10 years, with moratorium as may be decided not exceeding period of one year and the first installment shall be due after the date of release of the capital contribution to the beneficiary. However, the Directorate of Industries, Trade and Commerce, reserves the right to reduce the total repayment period up to 5 years depending on the nature of business.
- b) The capital given under this Scheme will be interest free.
- c) If the beneficiary fails to pay the installments within the stipulated time period, then the amount will be recovered as per laws in force including as arrears of land revenue.

8. Procedure to file the application –

- a) The individual or group of individual eligible under this Scheme shall file their applications in the prescribed **Performa (proforma changed to Performa)** along with required documents from Competent Authorities for this purpose.
- b) The applications addressed to the Director of Industries, Trade and Commerce shall be submitted in the office of the Directorate of Industries, Trade and Commerce, Udyog Bhavan, Panaji, Goa.
- c) Beneficiaries who are eligible for assistance under CMRY shall apply in combined form available with the Economic Development Corporation Limited. Such beneficiaries shall be exempted from filing in separate form and payment of form fees and application fees provided under this scheme.
- d) The applicant shall pay Rs.200/- (non-refundable) as processing fee and enclose the receipt of the same along with the application (once only).
- e) Cost of application form shall be Rs.25/-.
- f) There will be special insurance cover wherein the beneficiary shall be absolved of his outstanding dues/payments in case of death or permanent disability. In such cases, the Director of Industries, Trade and Commerce, with the approval of Government shall write off such balance of outstanding dues. For purpose of this Scheme, permanent disability will be one that makes the beneficiary incompetent to carry on the business for which he has availed the benefit. Insurance premium at the rate of Rs.200/- per lakh or part thereof only once before disbursement of loan shall be recovered from the beneficiary.

Insurance premiums will be as follows: Total Gross Loan Amount including Share Contribution is as follows: Re.1/- to Rs.1,00,000/- .. Insurance premium shall be Rs.200/- For Rs.1,00,001/- to Rs.1,49,999/-.. Insurance premium shall be Rs.300/- For Rs.1,50,000/- to Rs.1,99,999/-.. Insurance premium shall be Rs.400/- For Rs. 2,00,000/- to Rs. 2,49,999/- Insurance premium shall be Rs.500/- For rs. 2,50,000/- to Rs. 3,00,000/- Insurance premium shall be Rs.600/-

9. Sanctioning and Disbursement procedure - For the purpose of implementation of this Scheme, the Task Force Committee (TFC), set up by the Director of Industries, Trade and Commerce (or any authority under the Chief Minister's Rozgar Yojana) shall scrutinize, the applications, received and recommend the same for disbursement. TFC under CMRY shall be the sanctioning authority for applications under CMRY, duly appraised by the Appraisal Committee under the CMRY Scheme. Directorate of Industries, Trade and Commerce will work out suitable modalities in this regard.

10. Relaxation - The Director of Industries, Trade and Commerce may relax any provision of this Scheme after taking Government approval, if need arises.

11. There shall be a Task Force Committee for the purpose of this Scheme which shall scrutinize and recommend the benefits under this Scheme, consisting of the following members :-

1. General Manager (DIC) of Directorate of Industries, Trade and Commerce, as a Chairman.

2. Assistant Director (Admn) of Directorate of Industries, Trade and Commerce, as a Member.
3. Under Secretary (Finance /Expenditure), as a Member.
4. One person to be nominated by the Government from Goa Chamber of Commerce and Industry.
5. One person to be nominated by the Government from Goa State Industries Association.

The Committee may co-opt additional members from Financial Institutions or Associations, if felt necessary.

12. Interpretation - If any question arises as to the interpretation of any of the provisions of this Scheme or if there is dispute relating to fulfillments of conditions, then the decision of the Director of Industries, Trade and Commerce, thereon shall be final and binding on all.

13. Power to reject Claim - In view of the extreme flexibility in financial parameters, granted by the Government of Goa, appraisal and feasibility of the project is very important aspect and application shall be rejected if found not feasible, after taking into consideration, training/qualification of the persons involved or for any other reasons including the need of regulating a specific activity for overall economic benefit and decision of the Director of Industries, Trade and Commerce in this respect shall be final.

This has been issued with the concurrence of Finance (Exp.) Department vide U.O.No. 1650 dated 26/6/2008.

By Order and in the name of
the Governor of Goa.
Sd/-
(B. S. Kudalkar)
Under Secretary (Industries)