

25% Capital Investment Subsidy Scheme

Details (25% Capital Investment Subsidy Scheme)

of India has approved the implementation of a scheme called 25% Capital Investment Subsidy to the local entrepreneurs for promoting Micro and Small Enterprises in Lakshadweep. This scheme paves the way to improve industrialization and to facilitate local entrepreneurs/unemployed youth to take up viable ventures (Micro & Small Enterprises) in the Islands. Objective of the Scheme: • To promote Micro & Small Enterprises.

Objectives (25% Capital Investment Subsidy Scheme)

- Objective of the Scheme:
- To promote Micro & Small Enterprises.

Important Features (25% Capital Investment Subsidy Scheme)

- Introduction: The Union Territory of Lakshadweep has been declared as the “No industrial Area” and hence no scope for establishing major Industries in this UT. The Govt. of India is giving significant emphasis on setting up Small
- Scale Industrial units for the economic development of the Islands in order to create self
- employment/ job opportunities considering the lack of employment in the Government Sector under the U.T. Administration. Specific studies were conducted by the Planning Commission in pursuance of the decision taken by the Standing Committee of the Island Development Authority and constituted an Expert Committee. The Committee learned about problems of Industrialization in these Islands and identified special needs that would accelerate the Start
- up Industries in Lakshadweep.

Benefits (25% Capital Investment Subsidy Scheme)

- Under the scheme, financial assistance of 25 % of the total cost of the Enterprise inclusive of land, machinery, and construction limited to the maximum amount of ■6.25 lakhs will be provided to the eligible entrepreneurs.

Eligibility (25% Capital Investment Subsidy Scheme)

- Any individual above 18 years of age including Women, ex
- servicemen & physically handicapped is eligible to apply under the scheme. New Micro or Small units engaged in manufacturing/servicing except the activities specified in the Negative List are eligible to claim a 25% Capital Investment Subsidy established in Lakshadweep Islands. Micro Enterprises/Units, where the investment in Plant & Machinery and Building below ■25.00 Lakhs is only eligible under this Scheme. The Entrepreneurs Memorandum Part
- II (Permanent Registration) under the MSME Act 2006 filed before the Director of Industries, U.T. of Lakshadweep or Udyog Aadhar registration/otherwise shall be eligible for availing subsidy under this scheme as per Annexure
- I . Institutions registered under the Societies Registration Act 1960 and Self
- Help Groups that have not availed financial benefits under any other scheme are eligible for a 25% Capital Investment Subsidy. Note: The area of operation of the scheme is in all inhabitant islands of Lakshadweep. Negative List of Activities: The following list of activities will not be permitted under 25% Capital Investment Subsidy Programmes/ Projects/Units. Any industry/business connected with the processing/preparing of intoxicated items like Beedi/Pan/Cigarette etc. Manufacturing of Polythene carry bags of less than 20Microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing, or packaging of foodstuff and any other items that cause environmental problems.

Application Process (25% Capital Investment Subsidy Scheme)

- Step 01: The Scheme will be advertised/ published through the Panchayat Raj Institution and Lakshadweep website every year to attract more Entrepreneurs.

- Step 02: Newly established Entrepreneurs shall submit their application form as per the guidelines issued by the Department of Industries to the concerned DCs/SDOs of respective islands along with all the supporting documents.
- Step 03: The duly constituted Island level Committee under the Chairmanship of DCs/SDOs shall verify the claims submitted by the Entrepreneur and also physically inspect the Units.
- The same may be forwarded to the Director, Industries in the prescribed format (Annexure-IV) with complete details including bills received from the Entrepreneur.
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- Island Level Committee except Bitra are as follows: 1.
- Deputy Collector/ SDOs- Chairman 2.
- Assistant Engineer (PWD)- Member 3.
- Senior Auditor/JAO, FPU- Member 4.
- Senior most Supervisor, Department of Industries - Member Bitra: 1.
- Assistant Engineer (PWD)- Chairman 2.
- Authorised Officer Bitra- Member 3.
- Executive Officer, Panchayat- Member B.
- District Level Scrutinising Committee 1.
- The Secretary (Industries) – Chairman 2.
- The Accounts Officer(1), DP - Member 3.
- The Superintending Engineer, LPWD- Member 4.
- The Director (Plg.
- & Stats) – Member 5.
- The Director of Industries – Member Note: The District Level Committee (DLC) shall verify the details received from the Island Level Committee and recommend the quantum of subsidy to the Beneficiary according to the guidelines.

Documents Required (25% Capital Investment Subsidy Scheme)

- Photocopy of the Aadhaar Card Caste certificate Bank account details Certificate of physically handicapped
- if applicable A certified copy of the Age of Entrepreneurs issued by the Competent Authority is required to be produced with a subsidy claim. Certified copy of the ownership certificate of land and building. Plan & cost of the building certified by the Assistant Engineer (Civil) (Annexure-II) The taxes paid bills/GST & its registration Number are not required for the purchase bills pertaining to Plants and machinery purchased before the introduction of GST (July 2017). The taxes paid bills are only eligible for subsidy. Entrepreneurs should execute an Agreement/Bond on non-judicial stamp paper worth ■100/- with Director Industries as per Annexure-III enclosed for executing an agreement.

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