

# Entrepreneur Support Scheme (ESS)

The Kerala Government has launched a scheme called the Entrepreneur Support Scheme (ESS) to merge and replace all the schemes that were implemented for the benefits of entrepreneurs in the State. In this article, let us take a closer look at the Entrepreneur Support Scheme.

## Objectives

The objectives of ESS are

- To provide extensive support to micro, small and medium enterprises.
- To give one-time support to entrepreneurs who belong to special categories by optimal utilization of funds and giving more flexibility of operation at the time of implementation of the scheme.

## Eligibility Criteria

The eligibility criteria to apply for the scheme is given below:

- The applicant has to apply in the prescribed form.
- The applicant has to furnish documentation and accounts.
- The applicant has to execute an agreement with the notified authority to avail the assistance.

An industrial unit that is eligible for the Entrepreneur Support assistance would be an independent legal entity.

## Scope of Benefits

- Entitlement in the scheme would be limited to an amount of Rs. 30 lakhs per applicant unit that can be availed only once. The upper limit of Rs. 30 lakhs would be enhanced by 5% per annum during its operation period. The assistance fund would be limited to the fixed percentage of the composite investment upon the land, planned development costs, building and improvement charges on the existing building, essential office infrastructure, fixed cost of plant and machinery, electrification and generators and associated equipment.
- 30% of the eligible applicants are reserved for micro-enterprises.

- The assistance of 15% limited to Rs. 20 lakhs would be paid on the fixed capital investment of all micro, small and medium enterprises that are established in the State.
- All micro, small and medium enterprises that are set up by women, Scheduled Castes and Scheduled Tribes entrepreneurs are eligible for assistance of 20% of the fixed capital investment that is limited to Rs. 30 lakhs.
- An additional 10% assistance of the fixed capital investment is provided to the following sectors.
  - Rubber-based industries
  - Agro-based and food processing industries
  - Readymade Garments
  - Industries manufacturing equipment and machinery for Non-conventional energy generation
  - Bio-Technology based industries
  - 100% Export Oriented Units
  - Biodegradable plastic industries
  - Plastic waste recycling industries
  - Bio fertilizer industries
- For all micro, small and medium enterprises that are established in Idukki, Wayanad, Kasaragod and Pathanamthitta, additional assistance of 10% of the fixed capital investment would be provided.
- For micro, small and medium industrial units established after acquiring new technology from approved research institutions and recognized by State or Central Government, additional assistance of 10% of the fixed capital investment would be provided.

## Recoveries and Penalties

All assistance provided to the above support to an individual unit has to be refunded by the unit with interest at the rate of 14% per annum from the date of receipt of issue of the registered demand notice to the unit by the recommending/sanctioning authority on grounds of obtaining assistance by misrepresentation, forgery or deception or not found working continuously for five years from its commercial production within one year after receipt of assistance.

If the concerned officer of the Recommending or Sanctioning authority delays the application deliberately, the Director of Industries and Commerce levies and reviews a fine of Rs. 500 per day for each day of such delay and to a maximum of Rs. 10,000.