

# **Entrepreneur Support Scheme**

## **Details (Entrepreneur Support Scheme)**

Entrepreneur Support Scheme (ESS) is the most popular and attractive scheme operated by the Directorate of Industries and Commerce, Government of Kerala. The scheme is operational w.e.f. The scheme aims to provide financial assistance to Micro, Small, and Medium Enterprises engaged in manufacturing activities in the State, proportional to the capital investment made. For this scheme, a loan from a financial institution is not mandatory. Objectives: The new Entrepreneur Support Scheme intends to

- provide extensive support to micro, small and medium enterprises and
- give one-time support to entrepreneurs, with due regard to special categories by optimal utilization of funds and giving more flexibility of operation while implementing the Scheme.

Stages in Entrepreneur Support Scheme: The assistance under the Entrepreneur Support Scheme shall be released to the eligible entrepreneur (s)/unit in 3 stages.

## **Objectives (Entrepreneur Support Scheme)**

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- time support to entrepreneurs, with due regard to special categories by optimal utilization of funds and giving more flexibility of operation while implementing the Scheme.

## **Important Features (Entrepreneur Support Scheme)**

- Entrepreneur Support Scheme (ESS) is the most popular and attractive scheme operated by the Directorate of Industries and Commerce, Government of Kerala. Objectives: The new Entrepreneur Support Scheme intends to
  - provide extensive support to micro, small and medium enterprises and
  - give one
  - time support to entrepreneurs, with due regard to special categories by optimal utilization of funds and giving more flexibility of operation while implementing the Scheme.
- Stages in Entrepreneur Support Scheme: The assistance under the Entrepreneur Support Scheme shall be released to the eligible entrepreneur (s)/unit in 3 stages.
- up Support The Start
  - up support is provided for those enterprises that have availed at least a term loan from a financial institution and wish to avail of a part of the total eligible support prior to the commencement of commercial production. The assistance is limited to 50% of the total eligible support limited to ■3 lakh on sanctioning the term loan from the bank. The unit can apply for the balance of the eligible support once it starts commercial production.

## **Benefits (Entrepreneur Support Scheme)**

- Provides Subsidy for the investment in Land, Building, Plant and machinery, Electrification, Essential Office Equipment, Pollution Control Devices, and other fixed assets. For the General Category, assistance is 15% of the capital investment limited to ■30 lakh. For Young (18 to 45 years), Women, SC/ST, and Non
- Resident Keralite (NRK) entrepreneurs, the assistance is 25% limited to ■40 lakh. Enterprises in priority sectors are eligible for an additional assistance of 10% limited to ■10 lakh. MSMEs started in the districts of Idukki, Wayanad, Kasargode and Pathanamthitta are eligible for an additional support of 10% limited to ■10 lakh. Enterprises set up after acquiring new technology from approved research institutions are eligible for additional support of 10% limited to ■10 lakh. The total eligible assistance for an enterprise is limited to ■40 lakh.

## **Eligibility (Entrepreneur Support Scheme)**

- All Micro, Small, and Medium Enterprises engaged in manufacturing activities and set up in the State, which had filed Entrepreneurs Memorandum Part I/II with the respective General Manager
  - District Industries Centre shall be eligible for this assistance. For the purpose of this scheme an industrial unit eligible for the Entrepreneur Support assistance shall be an independent legal entity.
- Obligations of the applicant entrepreneurs: The applicant shall provide all required details and declare such information as to be true. The applicant shall pay the requisite application fee. The applicant shall provide clarifications or further details sought by the recommending/sanctioning authority. The applicant shall allow inspection or verification of any details mentioned in the application including plant and machinery and all other assets if so required by the recommending/sanctioning authority. The applicant shall produce originals of any important documents if so required by the recommending/sanctioning authority for verification. The applicant shall execute the requisite legal agreement online and if required on paper as and when the proposal is approved for implementation and furnish the signed hard copy subsequently via post or otherwise. The applicant shall utilize the amount received only in the manner agreed upon. The applicant shall operate the unit as stipulated in the agreement in which the quantum of support received failing which the assistance shall be resumed by restoring the provisions of Kerala Revenue Recovery Act. The applicant unit after availing the assistance shall furnish copies of balance sheets, valid license from local body, electricity bills, performance particulars in the prescribed proforma, etc. every year till the stipulated period before the 31st December of the next financial year, as proof of their functioning to the notified authority.
- Enterprises under Priority Sector: Rubber based industries, Agro based and Food processing industries, Readymade Garments, Industries manufacturing equipment and machinery for non conventional energy generation, Biotechnology industries, 100% export oriented units, Biodegradable plastic industries, Plastic waste recycling industries, Biofertilizer industries, Pharmaceutical industries and healthcare products manufacturing industries.

## **Application Process (Entrepreneur Support Scheme)**

- Step 01: All applications for assistance under the "Entrepreneur Support Scheme" shall be submitted online by the applicant through the designated website of the Industries Department and produce the originals along with details of acknowledgment received at the time of filing online, before the Recommending Authority.
- Step 02: The application will be processed by the Sanctioning Authority and the assistance will be sanctioned based on merit Step 03: An application fee of ₹1105/- has to be remitted per unit.
- Start-up Support: Step 01: An entrepreneur who intends to avail the startup support shall apply in duplicate before the General Manager, District Industries Centre in the prescribed application form with the necessary documents and copy of the Project Report.
- Step 02: The General Manager shall thereafter within 15 working days prepare a Technical Feasibility Report of the Project and forward the same to the concerned financial institution for sanction of eligible Term Loan.
- Step 03: After sanctioning the Term Loan, the financial institution may furnish their recommendation in the prescribed format along with attested copies of the Sanction Letter towards the Term Loan and Project Report Investment Support: Step 01: All enterprises shall apply for investment support within one year of commencement of commercial production.
- The District Level Committee and State Level Committee shall however be competent to condone delays in individual cases on merits.
- The District Level Committee may condone delays only up to a period of two years.
- Step 02: All applications shall be made to the respective recommending authority only after starting commercial production.
- All eligible investments as of the date of application for assistance can be admitted for investment support provided the same is envisaged in the original Detailed Project Report irrespective of the date of commencement of commercial production.
- Technology Support: Step 01: All industrial units shall apply for Technology support within six months from the date of commencement of commercial production after installing the new technology.
- Step 02: The District Level committee shall however be competent to condone delays in individual cases on merits.
- The technology support can be claimed by new units or existing units without being a part of the diversification/expansion/modernization programme.
- Step 03: The application for technology support shall be filed before the Recommending Authority along with copies of invoices of the machinery acquired in this regard with proofs of payment from the

research institutions owned or controlled by Government such as CFTRI, CSIR, DFRL, DRDO, Rubber Board, CTCRI, ICAR, KVK etc.

- supported with proof towards the payment of consultancy charges, valuation certificate of a Mechanical Engineer not below the rank of an Assistant Executive Engineer of Government Department (Industries, PWD, LSGD, Irrigation, etc.) or a Chartered Engineer, Institution of Engineers India/Approved Valuer of Institution of Valuers, India and certificate from the research institutions that the technology is new.
- Government Engineering Colleges approved by AICTE, institutions under the Council of Science & Technology, universities, etc.
- which have Research and development facilities and which develop technologies for industry shall also be considered as research institutions for the purpose of Technology Support.
- Note 01: The Officer while accepting the application form should examine whether all necessary details have been furnished.
- If any information is found inadequate, the same should be intimated to the applicant unit both electronically and otherwise, and granted 10 days' time to rectify the defects.
- Note 02: A Committee shall be constituted in all offices of the Recommending Authorities that shall monitor all units that avail assistance under this Scheme to verify whether they satisfy the provisions of this Manual.
- Any verification of the utilization of the assistance granted may preferably be made through the financial institution that financed the applicant unit.
- A unit that avails assistance under this Scheme shall also be under the obligation to furnish copies of balance sheets, valid licenses from local bodies, electricity bills, performance particulars in the prescribed proforma, etc.
- every year till the stipulated period before the 31st December of the next financial year, as proof of their functioning.

## **Documents Required (Entrepreneur Support Scheme)**

- (a) Common to all assistances viz. Startup
- Investment and Technology Support: Passport size photo Proof of age- to be supported with any proof and mandatory only in case applying for assistance for young entrepreneurs Acknowledgement receipt during filing the application online Self-attested copy of Challan/receipt towards payment of fees Copy of Voters ID/Passport/Ration Card/Driving license of the promoter/promoters (attested by Gazetted officer) (in case applying for assistance under young entrepreneurs the document furnished shall show the Date of birth of the applicant) Self-attested copy of resolution towards applying for this assistance in case of units other than proprietary Self-attested copy of Acknowledgement of EM (EM part I in case of an application for Start-up support and part II for other assistance) Copy of Caste Certificate (attested by Gazetted officer) (in case applying for assistance under SC/ST entrepreneurs) Copy of the Project Report (Self attested) Bank account details (b) For Start-up Support {in addition to 1-10 above (a)} (to be furnished after the Term Loan is sanctioned by the Financial Institution) Copy of Project Report (attested by Financial Institution) Recommendation letter of the financial institution ( Annexure - IV ) in original A copy of the Term Loan sanction letter of the Financial Institution (attested by the financial institution) (c) For Investment Support {in addition to 1-10 above (a) } In case of belated application
- request for condonation for delay in filing application Self-attested copy of the partnership deed/Memorandum and Articles of Association/Bye-laws in case of units other than proprietary Self-attested copy of the registration certificate from Registrar of Company/Firm/Society of units other than proprietary Self-attested copy of audited balanced sheet with trade & profit loss statement and details of FCI Self-attested copy of valid licence from local body Self-attested copies of sales bills Self-attested copy of consumer card of KSEB showing Contract demand and date of power connection with a copy of the last electricity bill Land: Copy of title/lease deed/Allotment order and remittance particulars in case of DA
- DP etc. and fair value of land from the concerned revenue authority. Land Development costs: Certificate from a Civil Engineer ( Annexure – VII ) not below the rank of an Assistant Executive Engineer of a Government Department (Industries
- PWD
- LSGD
- Irrigation
- etc.) or a Chartered Engineer
- Institution of Engineers India/Approved Valuer of Institution of Valuers

- India. Building: Copy of title deed/lease deed of land (only in case the land is not claimed)
- approved plan
- estimate and valuation certificate from the Civil Engineer ( Annexure – VII ) not below the rank of an Assistant Executive Engineer of Government Department (Industries
- PWD
- LSGD
- Irrigation
- etc.) or a Chartered Engineer
- Institution of Engineers India/Approved Valuer of Institution of Valuers
- India. Plant & Machinery: Copy of invoices/bills with proof of payment (cash receipt/certificate from the financial institution
  - in case of machinery purchased from outside the state
  - copy of invoice shall be affixed with the stamp from the concerned taxes check post)
  - Bill of entry for imported machinery and in case of fabricated machinery
  - Certificate of a Mechanical Engineer ( Annexure –VIII ) not below the rank of an Assistant Executive Engineer of Government Department (Industries
  - PWD
  - LSGD
  - Irrigation
  - etc.) or a Chartered Engineer
  - Institution of Engineers India/Approved Valuer of Institution of Valuers
  - India with regard to material costs and labour costs. Electrification costs: Copy of invoices/bills (including power connection charges
    - transformer costs etc.) with proof of payment (cash receipt/certificate from the financial institution) and in case the electrification costs is above ■50
    - 000/-
    - a valuation Certificate of an Electrical Engineer ( Annexure – IX ) not below the rank of an Assistant Executive Engineer
    - Electrical Inspectorate/Kerala State Electricity Board or Chartered Engineer
    - Institution of Engineers India / Approved Valuer of Institution of Valuers
    - India Generator Set/Other energy generating Equipment: Copy of invoices/bills with proof of payment (cash receipt/certificate from the financial institution)
    - Valuation certificate of an Electrical Engineer ( Annexure – IX ) not below the rank of an Assistant Executive Engineer of Electrical Inspectorate/Kerala State Electricity Board or a Chartered Engineer
    - Institution of Engineers India/Approved Valuer of Institution of Valuers
    - India and copy of Installation permit/Energization order from Electrical Inspectorate towards the Generator set Testing Equipment: Copy of invoices/bills with proof of payment (cash receipt/certificate from the financial institution) and valuation certificate of a Mechanical Engineer ( Annexure – VIII ) not below the rank of an Assistant Executive Engineer of Government Department (Industries
    - PWD
    - LSGD
    - Irrigation
    - etc.) or a Chartered Engineer
    - Institution of Engineers India/Approved Valuer of Institution of Valuers
    - India. Pollution Control Devices: Copy of invoices/bills with proof of payment (cash receipt/certificate from the financial institution)
    - valuation certificate of a Mechanical Engineer ( Annexure – VIII ) not below the rank of an Assistant Executive Engineer of Government Department (Industries
    - PWD
    - LSGD
    - Irrigation
    - etc.) or a Chartered Engineer
    - Institution of Engineers India/Approved Valuer of Institution of Valuers
    - India and self-attested copy of consent letter from the Kerala State Pollution Control Board. Essential Office/Water & waste recycling/rain harvesting equipment: Copy of invoices/bills with proof of payment (cash receipt/certificate from the financial institution)
    - Valuation certificate of a Mechanical Engineer ( Annexure – VIII ) not below the rank of an Assistant Executive Engineer of Government Department (Industries
    - PWD

- LSGD
- Irrigation
- etc) or a Chartered Engineer
- Institution of Engineers India/Approved Valuer of Institution of Valuers
- India. (d) For Technology Support {in addition to 1 – 8 under (a) plus 1 to 4 under (c)} Self-attested copy of order and proof of payment of consultancy/technology transfer costs Self-attested copy of invoices/bills with proof of payment of the new Plant & machinery Valuation certificate of a Mechanical Engineer ( Annexure – VIII ) not below the rank of an Assistant Executive Engineer of a Government Department (Industries
- PWD
- LSGD
- Irrigation
- etc.) or a Chartered Engineer
- Institution of Engineers India/Approved Valuer of Institution of Valuers
- India. Certificate from the research institution to the effect that the technology is new. Note: In case a document pertaining to a particular detail has already been furnished under any of the applications viz. Part B/C/D
- then further production of the same is not necessary. ■

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