



GOVERNMENT OF KERALA



Abstract

Industries Department – Entrepreneur Support Scheme – Guidelines modified - Orders issued

INDUSTRIES (B) DEPARTMENT

G.O.(Ms)No.103/2020/ID

Dated, Thiruvananthapuram, 24.11.2020

- Read: 1. G.O.(Ms)No.156/2012/ID dated 28/12/2012.
2. G.O.(Ms)No.56/2020/ID dated 20/05/2020.
3. Letter No.DIC/12565/2018-FC2 dated 22/05/2020 from the Director of Industries & Commerce.

ORDER

According to the order read as first paper above, Government had approved Entrepreneur Support Scheme (ESS) with guidelines to provide extensive support to Micro, Small and Medium Enterprises (MSMEs).

Vide the order read as second paper above, a special package of relief measures and financial assistance for MSMEs, which face severe set back due to the lock down declared to counter the Covid-19 pandemic, was introduced for assisting them to restart their business.

Based on the package component detailed as Sl.No.10 in the said Government Order, the Director of Industries & Commerce, has submitted a proposal, vide the letter cited, to amend the clause 6 & 7 of the ESS in tune with the Bhadratha Scheme. The proposal contains to amend Clause 6 & 7 of ESS scheme and provision of additional clauses / relaxations to be added in ESS guidelines.

Government have examined the matter in detail and are pleased to make amendments to Clause 6&7 of the existing guidelines of ESS in tune with the conditions mentioned in Sl.No.10 of the new scheme and on more relaxation for implementing the scheme as part of Covid Package (Vyavasaya Bhadratha) as appended to this order with effect from date of the issue of the Government Order read as second paper above, considering the crisis in the socio-economic sectors in the Covid scenario and the initiatives by the Government in promoting new employment opportunities in MSME sector including emerging areas like Health care industries.

(By Order of the Governor)
K.RADHAKRISHNAN
ADDITIONAL SECRETARY

To :

- The Director of Industries and Commerce, Thiruvananthapuram.
The Managing Director, Kerala State Industrial Development Corporation Ltd, Thiruvananthapuram
The Managing Director, Kerala Financial Corporation, Thiruvananthapuram
The Principal Accountant General(Audit/A&E), Kerala, Thiruvananthapuram
(This issues with the concurrence of the Finance Department)
The Finance Department (Vide No.1542024/I&PWA3/2020-Fin dated 25/08/2020)
Planning & Economic Affairs Department (Vide No.PLGEA-A2/141/2020/PLGEA dated : 22/10/2020)
The Chief Executive Officer, K-Bip, Thiruvananthapuram
The Information and Public Relation (Web and New Media) Department
Stock File/ Office Copy

Forwarded/By order


Section Officer

**COVID 19 PACKAGE FOR MSMEs – ENTREPRENEUR SUPPORT SCHEME
(ESS) TO BE LIBERALISED**

Introduction

The country wide lock down declared has severely affected MSME sectors across the country from 25th March 2020. No productive activities are being carried out in all MSMEs. The manufacturing and service sector will take several months to recover from the current situation. Units that function during the lock down period like health care products manufacturing, Agro and food processing units, pharmaceutical products manufacturing, packaging materials manufacturing etc are working only with minimum staff and with utilized capacity less than 40%.

The MSMEs are confronted with different issues like inadequate production, loss of raw materials, market loss, giving salary and wages to employees, payment of bank loan, clearing of statutory dues etc. due to the lock down. Entrepreneur Support Scheme (ESS) is the major scheme implemented in the State to support MSMEs engaged in the manufacturing activities. In the above context it is proposed to liberalize some of the conditions in the existing rules of the ESS, so that entrepreneur can overcome the plight and enterprise can be replenished.

A. The following ESS norms/clauses are added / liberalized to support the entrepreneurs.

I. Clause 1(XVI) is added in continuation of Clause 1(XV) as below.

Clause (XVI) :Non Resident Keralites: Persons who.

- a. Either have domicile in Kerala or who would have had domicile in Kerala but for their having left the country for the purpose of employment, business or taking up any other occupation outside the country and
- b. Have been residing continuously for a period of not less than 3 years outside the geographical boundaries of the Union of India before returning to Kerala for setting up an industrial unit.
- c. A certificate regarding (a) and (b) above shall be obtained by the applicant from NORKA ROOTS, Govt of Kerala.

II. Amendments in Clause 6&7

Clause	Existing Rule	Made in Amendment
6	All micro, small and medium enterprises established by entrepreneurs belonging to Women, Scheduled Castes and Scheduled Tribes and Young entrepreneurs shall be eligible for an assistance of 20% of the fixed capital investment limited to Rs.30.00 (Thirty)lakhs.	All micro, small and medium enterprises established by entrepreneurs belonging to Women, Scheduled Castes and Scheduled Tribes, Young entrepreneurs and Non-Resident Keralites (NRKs) shall be eligible for an assistance of 25% of the fixed capital investment limited to Rs.30.00 (Thirty) lakhs.
7	The following have been declared as priority industries and all units, micro, small, medium enterprises included under priority sector shall be eligible for an additional assistance of 10% of the fixed capital investment subject to a ceiling of Rs. 10.00 (Ten) lakhs or as notified in the specific incentives announced for the sector from time to time.	The following have been declared as priority industries and all units, micro, small, medium enterprises included under priority sector shall be eligible for an additional assistance of 10% of the fixed capital investment subject to a ceiling of Rs.10.00 (Ten) lakhs or as notified in the specific incentives announced for the sector from time to time.

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