GOVERNMENT OF KERALA

Abstract

Kerala State Entrepreneur Development Mission-sanction to implement the scheme-orders issued

Finance (PU-A) Department

G.O(Ms).No.590/11/Fin. Dated, Thiruvananthapuram, 8th December, 2011

Kerala State Entrepreneur Development Mission has been announced in the budget speech for the financial year 2011-12 with an amount of Rs.25 crores. The Mission is aimed at generating one lakh job opportunities with the objective of bringing down the level of unemployment and to build entrepreneurship culture among the youth of the State. The scheme is proposed to be implemented with the participation of Public, Private Sectors and Panchayats.

2. Government are pleased to accord sanction for implementing the Kerala State Entrepreneur Development Mission as detailed below from the financial year 2011-12 onwards:

3. Kerala Financial Corporation will be the nodal agency for implementing the scheme.

4. **Salient Features of the Scheme:**

   (i) The mission involves setting up of 10,000 enterprises in the State over the next five years. These enterprises will be set up by prospective entrepreneurs, selected based on their capability and project ideas. The applications will be received at the level of the concerned local bodies and orientation programmes will be organized for the registered
applicants at Block, District, Municipal Corporation levels to explain the features and eligibility criteria of the scheme. The applicants will be evaluated on their aptitude, qualification, skill, project ideas, project feasibility and available infrastructure facilities.

(ii) After selection, entrepreneurship training will be organized in batches in collaboration with various training institutes like Entrepreneurship Development Institute, KITCO, R-SETI (set up by NABARD), Centre for Management Development etc.

(iii) Upon successful completion of training, groups/individuals would be eligible for financial assistance under the scheme. The interest free loan assistance to a group of five persons will be limited to 90% of the total project cost subject to the ceiling of Rs.20 lakh. The ceiling will be reduced for smaller groups on pro rata basis. The financial burden of interest on the loans would be borne by the Government. Technocrats who are not members of groups will be considered on individual basis for a maximum financial assistance of Rs.10 lakh. The loan will be repayable in a maximum period of 5 years with the initial moratorium of one year.

5. **Role and functions of various Departments/Agencies:**

The following Government Departments/Agencies would be involved in the Mission:

(i) **Finance Department**

1. To issue general guidelines for implementation of the Scheme.
2. To explore the possibilities of getting funds for loans refinance, orientation programme, training of prospective entrepreneurs, monitoring and other operational expenses etc.

3. To provide necessary funds for interest subsidy and operational expenses.

(ii) **Local Self Government Department**
(Panchayat/Municipality/Corporation)

1. Provide space for training programmes and periodic review meetings.

2. Provide help to entrepreneurs to obtain necessary licences and clearances.

3. Provide necessary assistance to various agencies in implementation of the scheme.

(iii) **Industries Department**


2. Participate in awareness programmes.

3. Provide assistance in selection of prospective entrepreneurs.

4. Provide all necessary help including infrastructural facilities to the entrepreneurs in setting up units, getting clearances, getting eligible subsidies from Government, providing necessary linkages to the project etc.

5. Identify suitable mentors to provide guidance to the entrepreneurs.

(iv) **Labour Department**

1. Participate in awareness programmes.

2. Assistance for providing training.
(v) **SC/ST Department**

1. To Channelise funds from boards/agencies under SC/ST Departments for training and for providing loan assistance for SC/ST beneficiaries.
2. To provide other assistance for training programmes.

(vi) **Agriculture, Animal Husbandry and Dairy Department.**

1. To extend assistance to the beneficiaries having aptitude in setting up agro-based units.

(vii) **Training Institutes**

1. Participate in orientation programmes
2. Participate in selection of prospective entrepreneurs
3. Arrange training for the entrepreneurs
4. Participate in monitoring and review of operation
5. Provide handholding for trained entrepreneurs.

(viii) **Kerala Financial Corporation**

1. Nodal agency for implementation of the programme.
2. Planning, Administration, implementation and monitoring of the scheme.
3. Publicity and orientation programmes.
4. Selection of prospective entrepreneurs
5. Co-ordination with other implementing agencies with regard to training, monitoring, review, etc.
6. To disburse loans to eligible entrepreneurs either directly or through the banks and provide eligible interest subsidy.
7. Maintenance of accounts of each individual units and compilation of data.
8. Recovery of loans and rendering assistance for recovery, wherever needed.
(ix) **NABARD and other Banks / Financial Institutions**

1. Provide necessary assistance for training.
2. Provide necessary loans to the selected and trained entrepreneurs.
3. Provide need based refinace to Kerala Financial Corporation for disbursing loans under the scheme.

6. The departments, agencies and institutions mentioned above are authorized/entrusted to discharge the functions assigned to them. The Secretaries of the departments concerned will issue necessary directions to the Heads of Departments/Chief Executive Officers under their control in this regard.

7. **Funding of the Mission:**

   (i) The Government will bear the entire interest burden on the loans provided to the selected and trained entrepreneurs under the mission who set up the units successfully.

   (ii) For financing the principal amount, assistance of Banks, NABARD and other financial institutions will be taken. Government may provide guarantee to Kerala Financial Corporation for raising funds from financial institutions.

   (iii) For training of the selected entrepreneurs, the funds would be mobilized from various agencies like NABARD, National Skill Development Corporation, SC/ST Department, Labour Department and any other similar institutions. Balance amount will be provided by the Government.
(iv) Necessary administrative expenses including the guarantee commission incurred by the Kerala Financial Corporation for administration, implementation and monitoring of the scheme would also be borne by the State Government.

8. Implementation and Monitoring:

(i) At the State level, an Apex Committee would be constituted under the Chairmanship of the Hon'ble Minister, Finance comprising the Secretaries of Finance, Industries and Local Self Government Departments, representatives of NABARD, training institutions, representatives of Banks / Financial Institutions and Kerala Financial Corporation. The Apex Committee would have power to frame the necessary guidelines for project implementation, decide all the matters related to the administration of the scheme, fixing of norms and arrangements for training and provide clarification on all related matters etc.

(ii) District Level Monitoring Committees would be set up under the Chairmanship of the District Collector having representatives from District Industries Centre, Kerala Financial Corporation, Banks / Financial Institutions and representatives of Training Institutes etc.
(iii) Kerala Financial Corporation, being the overall nodal agency for implementation and monitoring of the Scheme at the State level, will obtain necessary direction and guidance from the Apex Committee and Finance Department with regard to the implementation of the scheme.

By order of the Governor,

V.P Joy
Secretary-(Finance)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Secretaries / Secretaries/ Special Secretaries of Local Self Government Department, Industries Department, Labour Department, Scheduled Cast / Scheduled Tribe Development Department, Agriculture Department/Animal Husbandry Department, Dairy Development Department, Revenue Department,
The Chairman & Managing Director, Kerala Financial Corporation, Thiruvananthapuram.
All the District Collectors
The General Administration (SC) Department vide, item No.862 dated 07/12/2011 of the Council of Ministers.
The Finance (Budget Wing/ Nodal centre) Department
The Nodal Officer, WWW.finance.kerala.gov.in.
The Stock file/Office copy.

Copy to: The Private Secretary to Minister(Finance, Law & Housing)
PA to Secretary (Fin), Secretary (Fiancé Expenditure),
OSD (Resources)

Forwarded By Order

[Signature]
Accounts Officer