

KERALA CALLING

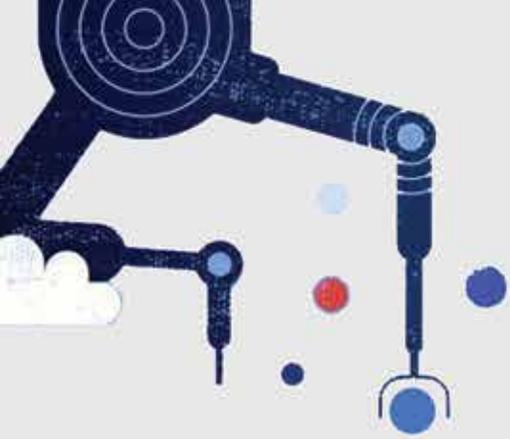
FEBRUARY 01, 2023_VOL_43_No_4

MAKING IT HAPPEN



To walk the ancient streets that run
across cultures, beliefs and ideas,
to open wide the mind and watch
the colours seep into each other and
let the courtyard of the world
make us human, all over again.

HUMAN *by* NATURE



EDITORIAL



WINDS OF INDUSTRIAL CHANGE

Not all revolutions are armed. There are revolutions that are silent but with a sweeping effect.

At the moment, Kerala is witnessing such a quiet but definitive revolution which is poised to change its tag from a 'consumer state' to a 'creative and productive' one.

Kerala is passing through an industrial revolution with new Micro, Small and Medium Enterprises being set up across the state.

Held on Jan 21, Samrambhaka Maha Sangamam, the largest gathering of entrepreneurs in the history of Kerala, had over 10,000 entrepreneurs as participants, who all started their businesses as part of Year of Enterprises. In the first eight months itself, it crossed the yearly target of 1 lakh enterprises, generating investments of over Rs 7,500 crore. The scheme has given a huge fillip to the industrial and commercial sectors.

Kerala is a thriving hub for startups and innovation—it is South Asia's largest centre for startups. Recognised as a friendly environment for startups, the state is rated first in Asia and fourth globally, as per the 2022 Global Startup Ecosystem Report. Over the past six and a half years, Kerala has nurtured the growth of about 3,800 startups, generating over 40,000 jobs, and attracting venture capital funding of Rs 4,561 crore. The government has also made a significant contribution through innovation grants, totalling Rs 29 crore.

The first step is to change the misconception that Kerala is not conducive for enterprises by setting up an ecosystem to prove that it is in fact a good place for micro, small and medium enterprises. Kerala has always been number one in health, education and startup sectors. Now the industries sector is expected to turn the tables.

The government is determined on having startups in each Panchayat. The Industries department will make sure that this project is executed without any glitches. Kerala is going to be a vibrant, dynamic ecosystem for enterprises and innovators.

This revolution is redefining Kerala as a land fertile for business and investment.

T.V. Subhash IAS
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TOTAL NUMBER OF PAGES:

48 + Cover

06 Kerala Budget 2023-24 A Tough Walk Through Budgetary Constraints

Dr. Shajumon C.S.

10 The Success Of The Year Of Enterprises

Pinarayi Vijayan, Chief Minister

14 Another Unique Kerala Model

P. Rajeeve, Minister for Law, Industries & Coir

16 We Were Fast They Were Faster Together We Succeeded

S. Harikishore IAS

22 Scripting A New History

Aneesa T.



26 A Red-Letter Day
for the Soldiers

28 “Now, Everyone Can Invest
With Heightened Confidence”,
They Say

Sruthi Sreekumar

30 Building Up A
Robust Entrepreneurial Ecosystem

Suman Billa IAS

32 Transformation Of
Public Sector Units (Psus)
In Kerala

A.P.M. Mohammed Hanish IAS

34 Psus’ Performance Par Excellence

Vysakh Udayan

38 Natural Rubber Sector
For Sustainable Development

Sheela Thomas IAS (Rtd)

40 The Corridor To Development

Santhosh Koshy Thomas

42 Creating Favourable
Industrial Climate

44 How To Save Ventures?

T.S Chandran

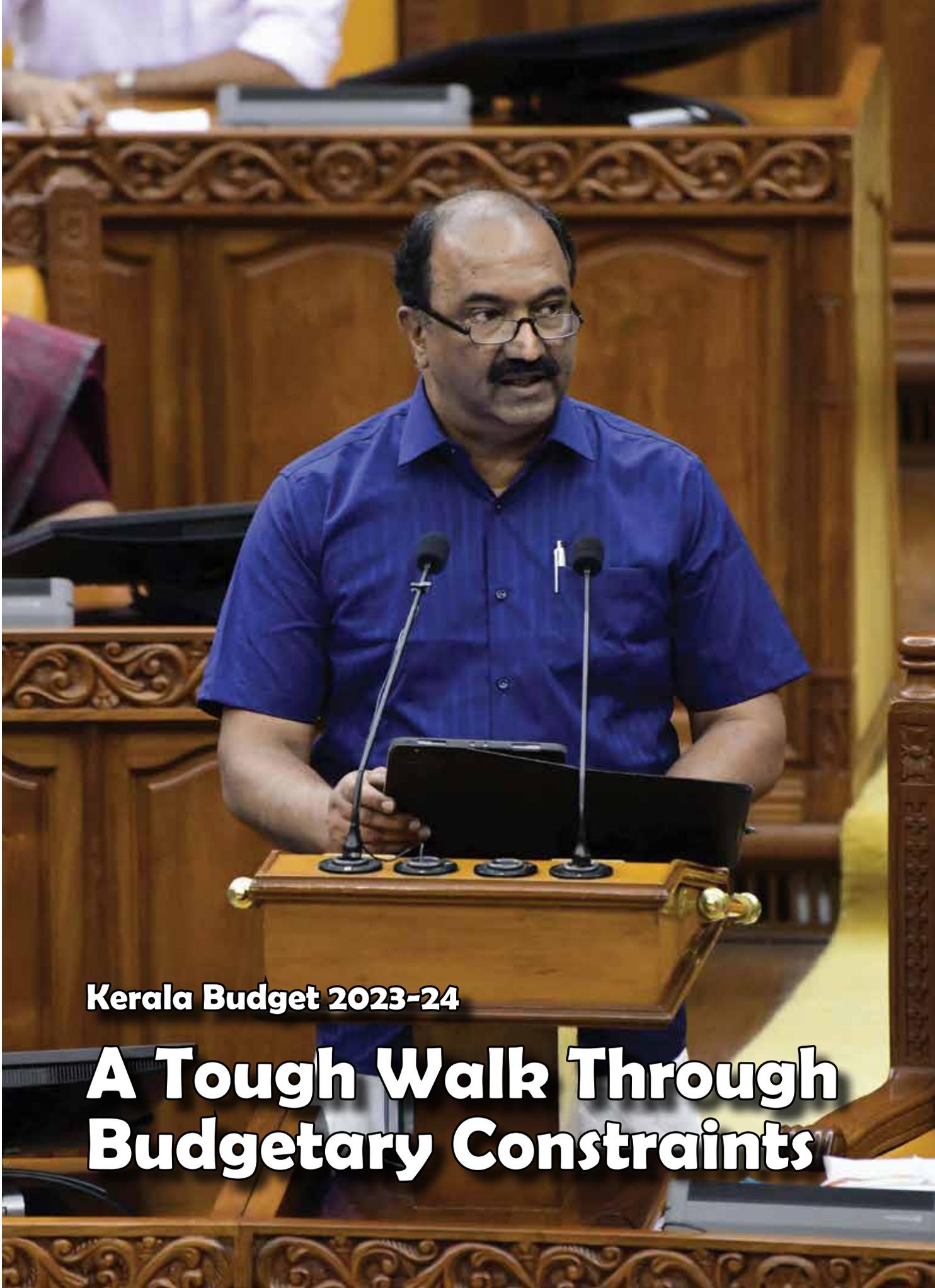
48 K-SWIFT
Ensuring Time-Bound
Clearances And Approval

Varghese Malakaran

50 A Facelift For Mining And Geology

Devidas. N. IAS





Kerala Budget 2023-24

A Tough Walk Through Budgetary Constraints



Dr. SHAIJUMON C.S.

Associate Professor of Economics &
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Technology

Finance Minister K.N. Balagopal, has taken bold steps to lead the state forward with greater vigour by understanding the realistic picture of the Government of Kerala's current financial crisis in his latest budget for the fiscal year 2023-34. The government is facing a "hard budget constraint" because of restraints in borrowing limits and revenue sharing. At the same time, it is very important that the government responds to emerging challenges of the state economy like demographic shifts in favour of older people, return migration of NRKs, heavy dependence on imports from other states, climate change, skyrocketing government commitments, etc.

The budget appears to aim to bring fiscal discipline to the state government finances through a massive increase in revenue resources in the form of increases in tax and non-tax revenues in almost all possible areas, as well as efficient utilisation of budget outlays by different departments by ensuring the efficiency and productivity of government departments, restoring the practise of preparing annual reports, and providing benefits to departments that efficiently use the allocating authority.

Philosophy and approach of the Budget

The philosophy of the budget is to create a modern "Nava Kerala" model and establish a knowledge economy, which will enable the state economy to get seamlessly integrated with the global economy for generating more employment opportunities and faster development. The approach of the budget has shifted in favour of augmenting resources by tapping all potential sources, rationalising expenditure through outcome-oriented delivery of government expenditure, and addressing the new development challenges of the state. Since the taxation and borrowing powers of the state are limited, the government has no way other than increasing various taxes, duties, fees, etc. to mobilise more resources for financing various innovative policies announced for restructuring the economy.

Along with reiterating the government's commitment to transforming the Kerala economy

into a knowledge economy, the budget attempted to address the state's second-generation development issues, such as demographic changes towards ageing and the rehabilitation of non-resident Keralites. In the vision of reducing the dependence of Kerala on other states for various products, the budget has announced a "Make in Kerala" programme for increasing the production of import substitutes. The programme aims to stimulate domestic production of imported products by augmenting facilities to increase domestic production and employment, entrepreneurship, and investment opportunities in Kerala. Allocation for various projects like Nava Keralam, the Economic Trade Corridor, green hydrogen hubs, energy parks, electric park consortiums, space parks, etc., and a focus on work from home and work from vacation homes are all very welcome steps for transforming the domestic economy.

The budget expects a shortfall of revenue mobilisation of about Rs 25,000 crores through a decline in the award of the Finance Commission, a shortfall in the revenue deficit grant and GST compensation, the limitation of borrowing capacity to 3% of GSDP, the inclusion of off-budget borrowing for KIIFB and KSSP in general borrowing, etc. The challenge of carrying out further development—welfare activities—will be taken up, and the governance will be reconstituted to suit the knowledge society by increasing the efficiency and productivity of this extensive system. The government has announced various measures to augment its revenue, including imposing a Social Security Cess on the sale of petrol and diesel at a rate of Rs 2 per litre and increasing the various fees and taxes on motor vehicles, land registration, liquor, stamp duty, land taxes, etc. The budget expects Rs 2955 crore through the announcement of additional revenue augmentation measures.

Efficient utilisation of government expenditure

While factors such as ageing populations and increasing health care, education spending, interest expenditure, and pension costs add to budgetary pressures, citizens are expecting that the government be made more accountable for what they achieve with taxpayers' money. The Finance Minister has announced that increasing the use of performance information in budget processes is an important initiative. If the efficiency of the utilisation of the outlay estimated as government expenditure in the budget is increased by just 5%, the benefits will be manifold. The government aims to increase efficiency and has made three major



announcements:

1. To improve administrative efficiency, Rs 100 crores must be set aside for encouraging healthy competition among government agencies.

2. One crore for a system that is successfully used to evaluate plan expenditure in the new edition of Plan Space.

3. The preparation of an annual report by adopting an accurate methodology will be very helpful in increasing administrative efficiency.

One of the most desirable ways to overcome resource constraints is to increase efficiency in the utilisation of the resources. At the same time, the government tried to ensure the distribution of resources was effective if the changed resource allocation could not possibly increase well-being without reducing it for others.

The budget stated that Kerala faces second-generation developmental issues, which include changes in demographic structure and the rehabilitation of returning non-resident Keralites.

Addressing second generation challenges

The budget stated that Kerala faces second-generation developmental issues, which include changes in demographic structure and the rehabilitation of returning non-resident Keralites. The public resources of the country are still allocated among the states on the basis of first-generation development indices. Due to this, Kerala is being denied its due central share. There is a situation in which the human development we have achieved becomes our disqualification. Also, the widespread trend of youth going abroad for employment and education and settling there. As a result, there is a decrease in the number of youth capable of finding employment in the state. The most important problem facing Kerala society is the ongoing change in the population structure. According to the figures for 2021, 16.50% of the population is above 60 years of age. It is estimated that this will exceed 20% by 2031. At the same time, the birth rate in the state has been decreasing. Kerala



may become the state with the highest dependency-population ratio. The government has been using its major financial resources to improve human resources through funding education and health. Unfortunately, most of these well-trained human resources are migrating to other states and countries. The budget has addressed a variety of measures to create a favourable ecosystem for retaining human resources in the state for rapid economic development. This will ensure the future flow of resources to the government.

Make in Kerala Program

According to the NSSO survey, Kerala has the highest per capita consumption expenditure among all states in India. Kerala imported products worth around 1,28,000 crore in 2021–2022. Out of this, 92% was from other states. During this period, the state's exports were around 74,000 crore. Out of this, 70% was to other states (CDS Study). As a result, the state's trade deficit is very high, and it is past time for the government to focus on an ambitious project like "Make in Kerala" to try to produce imported products

By presenting the latest budget for the financial year 2023–24, Finance Minister K.N. Balagopal and the government are to lead Kerala towards infrastructure development and amenities equivalent to any developed country.

that can be produced locally. Because of the revival of the manufacturing sector, the state has a favourable climate. A total of Rs 100 crore has been set aside for this massive programme between 2023 and 2024.

Conclusion

By presenting the latest budget for the financial year 2023–24, Finance Minister K.N. Balagopal and the government are to lead Kerala towards infrastructure development and amenities equivalent to any developed country. This government has declared that it is committed to bringing development and welfare to everyone. The budget is a strategy document for propelling the state forward with greater vigor. The government hopes that this budget will become an action plan to lead the state towards further progress and development. Under "Make in Kerala," the minister said that facilities and infrastructure will be developed to increase domestic production as well as employment, entrepreneurship, and investment opportunities in Kerala. ■



THE SUCCESS OF THE YEAR OF ENTERPRISES

PINARAYI VIJAYAN
Chief Minister

Within a short span of 8 months, the Year of Enterprises scheme created one lakh enterprises. The figures are mounting up faster and faster day by day.



Samrambhaka Maha Sangamam, the largest gathering of entrepreneurs in Kerala's history was held in Kochi on the 21st of January, 2023. Over 10,000 entrepreneurs participated, all of whom had started their own businesses as part of the Year of Enterprises scheme. In 10 months, the project has produced over 1,30,000 enterprises, surpassing its goal of creating 1 lakh enterprises in a year within just 8 months. These businesses have generated investments worth over 7,900 crore rupees and created more than 2,80,000 job opportunities. The Year of Enterprises scheme has given a boost to the industrial and commercial sectors of Kerala, putting to rest the false campaign that the state is not suitable for industry and commerce.

The success of this programme, which aimed to find entrepreneurs, has largely been due to coordination among various Government departments, agencies, public sector bodies, banks, etc. With 13,141 new enterprises, Thrissur has made the most of the YoE scheme. Ernakulam and Thiruvananthapuram follow closely behind with 12,633 and 12,936 new enterprises respectively. To drive the overall development of Kerala as well as the country, it is important to continue to bolster this entrepreneurial movement with increased determination and cooperation.

Efforts are underway to execute the "One Local Self-Government, One Product" concept. To support this, help desks are being run twice a week in all LSGIs. Each LSGI has established dedicated committees for this project. Public awareness campaigns held in May-June 2022 across all LSGIs were successful, attracting significant public engagement. Subsidised interest loans have been made available through special measures. During loan fairs held in August and September, 5,556 applications were received and loans worth Rs. 108 crores were approved. In addition to financial aid, geotagging has been introduced for select products to enhance the efforts.

These comprehensive efforts helped the project exceed its target ahead of schedule. The Year of Enterprises scheme has received high praise from the Union Government, which has acknowledged it as a best practice in the MSME sector. This recognition and the YoE scheme's success is a fitting reply to the allegation that Kerala is not a suitable place for business.

Kerala is a state that boasts of a rich history of innovation and technology. As the birthplace of the country's first technopark and first electronics production company, it has a long-standing reputation as a hub for technology and industry. Additionally,

Kerala is known as a global centre for spices processing and produces a substantial portion of the world's oleoresins. The state is also a leader in seafood processing, with 75% of its companies receiving EU certification, a distinction that sets it apart. Kerala also has the world's largest artificial teeth producer and Asia's largest blood bag manufacturer, as well as a prominent medical equipment manufacturer. The State had attracted major players like Airbus, Nissan, Tech Mahindra, and Taurus during the term of our previous Government.

The negative campaigns against Kerala overlook the fact that Kerala's Gross State Domestic Product (GSDP) accounts for 4.2% of India's GDP, despite having only 1.2% of India's total land area and 2.6% of its population. This is possible due to the presence of numerous leading modern manufacturing companies such as Terumo Penpol, Agappe Diagnostics, SFO Technologies, Synthite, AK Flavors, Vajra Rubbers, PK Steels, and many others, many of which are the top companies in their respective fields globally. As part of the Year of Enterprises scheme, 15.67% of the enterprises established were in the manufacturing sector, and the manufacturing sector's contribution to the state's GDP has risen from 7% to 13%.

Despite these facts, some people are bent upon perpetuating the myth that nothing of significance is happening in Kerala's industry. The presence of thousands of entrepreneurs in the Samrambhaka

Maha Sangamam is a testament to the State's Ease of Doing Business. Thus the Year of Enterprises scheme has been a massive success in countering false claims and showcasing the favourable conditions for industry and investment in Kerala.

The State Government has made various efforts to augment and advance the industrial sector in the state. One of the most important initiatives is the periodic updation of laws and regulations that govern the sanction of permits for enterprises. Seven Acts have been revised to encourage the development of industrial enterprises and the establishment of new businesses in Kerala. Changes have been effected in 10 associate regulations. K-SWIFT, a single-window platform, has been implemented to streamline the process of obtaining necessary permits for industrial enterprises, offering access to 90 permits from 21 departments.

In 2019, the state passed the Micro, Medium and Small Enterprises Facilitation Act. Enterprises with investments less than Rs.50 crore are considered to have automatic permission for three years, and those with investments over Rs.50 crore are granted permission for one year. The Government has also taken steps to strengthen the grievance redressal process. We have also set up a centralised system of inspection called K-CIS which ensures that there is no human bias in conducting inspections and granting certificates.





Since 2016, through Kerala State Industrial Development Corporation and Kerala Industrial Infrastructure Development Corporation, we have successfully implemented 242 projects and provided financial assistance of Rs. 4,653 crore, creating 49,594 job opportunities. Additionally, the Kerala Financial Corporation has made Rs. 12,048 crore available to 5,405 enterprises. The growth in the industrial sector is evident, leading to Kerala's advancement to the 15th position in the EoDB rankings. The Pinarayi Vijayan Government is committed to fostering new enterprises and preserving traditional industries.

Kerala is a thriving hub for start-ups and innovation, housing South Asia's largest Startup innovation hub. It is rated first in Asia and fourth globally, as per the 2022 Global Startup Ecosystem Report. Over the past six and a half years, Kerala has nurtured the growth of about 3,800 start-ups, generating over 40,000 jobs, and attracting venture capital funding of Rs. 4,561 crore and investment from the Fund of Funds of Rs. 836 crore. The Government has also made a significant contribution through innovation grants, amounting to Rs. 29 crore. The Pinarayi Vijayan Government is dedicated to fostering industrial growth in Kerala through these integrated initiatives.

To support the growth of enterprises, the

The State Government is committed to strengthening these gains and ensuring comprehensive, sustainable development of the State, with the support and cooperation of all.

state has implemented various initiatives to enhance the skill set of the people. The Kerala Academy for Skills Excellence (KASE) and the Additional Skill Acquisition Program (ASAP Kerala) are some of the initiatives aimed at providing individuals with the necessary skills. The coordination of all skill development initiatives is managed through the Kerala Development and Innovation Strategy Council and the Kerala Knowledge Economy Mission. Additionally, coaching and personality development programs are offered to prepare individuals for job interviews.

Kerala is undergoing a period of industrial and agricultural transformation. The hard work is paying off, as evidenced by the 12.01 percent growth in the State's GDP during the previous financial year. Sectors like agriculture, industry, and service have all seen significant growth, with the agriculture and allied sectors growing by 4.64 percent, the industrial sector by 3.87 percent, and the service sector by 17.3 percent. With a per capita income that is double the national average, Kerala is a shining example of success.

The State Government is committed to strengthening these gains and ensuring comprehensive, sustainable development of the State, with the support and cooperation of all. ■



Another Unique Kerala Model

A silent industrial revolution is happening in Kerala with new Micro, Small, and Medium Enterprises being established in every nook and cranny of the state.

P. RAJEEVE

Minister for Law, Industries, and Coir



The MSME revolution is the result of the 'Year of Enterprises' campaign that has set a target of setting up one lakh new MSMEs in the state during the 2022-23 fiscal. For taking forward the mission with all vigour, a revised target of 1.5 lakh enterprises has been set now. I am sure before the end of March, this target will also be achieved.

These statistics need to be viewed against the average number of new MSMEs started in recent years. Every year, only around 10,000 MSMEs used to get registered in the state though there is a huge potential for such initiatives in the state. The dedicated campaign for which several government agencies had worked for hand in glove helped us to achieve more than 10 times the number recorded in the previous years.

In fact, MSMEs are the ideal industrial growth engines for a state like Kerala. They are less polluting and they don't need large parcels of land to operate. The employment-to-capital ratio is also higher in this sector.

According to a recent GST-based analysis, commodities worth Rs. 1,09,000 Cr are brought from outside the state and sold here every year. The cost of packaged drinking water that Kerala brings from outside alone will be around Rs. 260 Cr. Even if we could produce a small portion of this in our state, thousands of new jobs can be created.

One of the usual complaints that entrepreneurs make is about the bottle necks and red tape they face in government offices

while attempting to get statutory permissions for their ventures. We have relaxed these norms and announced a policy that the new ventures can function without a license for three years. Once they complete three years of operation, the licensing process needs to be initiated and completed within six months. For that, a single window system has also been set up.

The responsibility of the government didn't end with easing the legal and administrative processes. We approached the state-level bankers' committee and introduced a loan scheme for MSMEs with reduced interest. The entrepreneur will get the loan to start the venture at a rate of 4% while the remaining interest component will be borne by the industries department as a subsidy. Thousands of youngsters have availed of this scheme to launch their dream projects.

To take these messages to the grassroots and identify potential entrepreneurs, interns were recruited

entrepreneurs launch their dream projects is only the first step as far as we are concerned. There is a national survey that says 30% of MSMEs stop operations in the first year of establishment. To avoid such a scenario, we plan to handhold the new enterprises for at least two more years. We have set up MSME clinics in all districts and the services of management, marketing, technical, and finance experts are available in these clinics. Any entrepreneur who faces a crisis can approach them and they will offer a collective solution. We also plan common facility centres which can be used by enterprises of similar nature by paying rent. This will save huge capital investment for advanced equipment in certain industries.

Finding the right market is another area where new entrepreneurs usually struggle. We have decided to organise Taluk-level trade fairs by bringing together MSME entrepreneurs of the region so that their products can be introduced to local markets. An



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in all local bodies. They had worked really hard by staying in the field three to four days a week, meeting entrepreneurs and assisting them in all formalities. As an incentive for their dedicated work, they will be offered executive training programmes at the Digital University.

By the end of the first week of the ninth month in December, the number of new enterprises registered crossed the one lakh mark. All these units together created employment of 2.10 lakh. The cumulative investment will be over Rs. 5600 Cr. Out of the new ventures, 30% are in the trade sector while 18% are in the food processing sector. One-fourth of the entrepreneurs are women and there are a few transgender entrepreneurs too.

For us, this is not the end of the story. Helping

e-commerce platform that will unite all these ventures is also being planned.

Our long-term plan is to create a set of products with a 'Made in Kerala' tag. The worthiness of the tag will be the currency to sell the products in the national and international markets. We have already introduced Kerala Kaithari and Kerala Coir brands. In a similar fashion, all products from enterprises in the state will be branded. The mandatory tests, like food safety certification, will be done in the special laboratories that will be set up by the industries department.

The growth stories of several countries owe a lot to the tens of thousands of MSMEs that had been established there. A proper plan and adequate support from the government will ensure that Kerala can also reap rich dividends from the MSME sector. ■



S. Harikishore IAS

WE WERE FAST THEY WERE FASTER TOGETHER WE SUCCEEDED

The Entrepreneurship Year scheme shed light on the false public perception that Kerala is not a fertile land for industries. Industries Director and KSIDC Managing Director S. Harikishore IAS reveals the actual factors that contributed to the success of the project in an exclusive interview with K.K. Jayakumar (Information Officer I&PRD) for *Kerala Calling*.



K. K. Jayakumar

Excerpts from the interview

The confident faces of 10,000 young entrepreneurs gathered at the Kochi Jawaharlal Nehru Stadium is a strong response to the general perception that there is no scope for new industries in Kerala. What are preconceived notions related to the industries sector that you believe were able to have changed through this project?

I do believe that it is a great thing that we could instill confidence in people that there is great scope for new industries in Kerala. Yes, there is a general perception that Kerala is not a good place to set up industries. As we rolled out the project, one of the persons in this field had attributed this negative perception to some of the hit Malayalam movies released before 2000. Though it was a personal comment and said causally, it has some truth in it. In it the villain would always be an industrialist with cars and great riches. The hero would always be a poor individual from the working class, who gets exploited by the villain. Those films spread a misconception that doing an enterprise and earning profit is a nasty matter. It would take years to break that general thought process. The Entrepreneurship Year scheme is a major step in that direction.

One lakh entrepreneurs in just 250 days. It means 400 new enterprises emerging each day in the past eight months. What do you think is the reason that drives people to step forward to become entrepreneurs in such large numbers? What changed here all of a sudden?

One of the major reasons behind the success of this scheme is the excellent planning of the Industries department. The planning started way back in November, 2021. A lot of doubts arise in the minds of individuals who plan to start a business. Like how to start the business, whom to approach, should they go to the Panchayat or the Taluk office etc. A detailed plan and a road map were prepared to address all those doubts. As many as 24 meetings were held with various departments with the approval of the Chief Minister. A comprehensive plan could be prepared

involving all departments and local bodies. This was not a project that was conceived as one that could be announced in one day and implemented in the next.

What were the next immediate steps?

After laying out a detailed plan, the next focus of the department was to collect basic data. Extensive surveys were conducted for this purpose. The surveys sought answers for questions like what kind of businesses have best chances of success in a panchayat, what are the raw materials available there, is there a suitable market available and so on. Booklets were published compiling details of



One of the major reasons behind the success of this scheme is the excellent planning of the Industries department. The planning started way back in November, 2021. A lot of doubts arise in the minds of individuals who plan to start a business. Like how to start the business, whom to approach, should they go to the Panchayat or the Taluk office etc.

subsidies offered by all departments and explaining procedures required to start an enterprise. We made sure that all officials concerned were part of preparations and planning.

An innovative system is essential to facilitate budding entrepreneurs. Surely, many such systems had to be created afresh. What were the new systems created thus?

One of the important newly created systems is that an official each was assigned to all 1034 local bodies (941 panchayats and 93 municipalities) to assist entrepreneurs. Interns with B.Tech or MBA qualifications were recruited on contract basis for

District Wise Performance (As on 09-02-2023)

Rank	District	Target	Achievement	%	Investment (Rs in Crore)	Employment Generated
1	Wayanad	3687	3869	104.94	230.69	8088
2	Alappuzha	9666	9830	101.7	517.61	20843
3	Kannur	11366	11451	100.75	679.17	23333
4	Kollam	11775	11766	99.92	603.78	23959
5	Thrissur	13533	13196	97.51	707.54	27683
6	Pathanamthitta	5408	5162	95.45	238.57	10733
7	Palakkad	12721	11519	90.55	611.62	25279
8	Thiruvananthapuram	14902	13006	87.28	779.75	27177
9	Ernakulam	14610	12696	86.9	1068.28	30800
10	Kottayam	8834	7503	84.93	418.24	15651
11	Kozhikode	13925	11520	82.73	817.18	25298
12	Idukki	5007	3790	75.69	208.28	7820
13	Kasaragod	5965	3888	65.18	234.93	7892
14	Malappuram	18601	11558	62.14	788.31	26814
Total		150000	130754	87.17	7903.95	281370

this purpose – one in each panchayat and one in 20 wards under Corporations and Municipalities. This brought forth a big change. Aspiring entrepreneurs no longer had to go anywhere else seeking assistance. They just needed to visit the panchayat to get answers on how to take a license, what kind of venture was best suited for them, subsidies that were available etc. The interns were trained on all procedures related to starting a venture. Using these interns, help desks were established at all 1034 local bodies. Their service can be availed at panchayats on all Mondays and Wednesdays. This was a huge change.

Such activities require extensive supervision. How is that ensured?

Four types of monitoring committees were constituted for this purpose. A committee in

the local level chaired by the panchayath president/ municipal chairperson concerned found out people interested in doing entrepreneurship. Another committee was constituted in the district level chaired by the district collector concerned coordinated these aspiring people from different local bodies. A committee chaired by the Principal Secretary and another one chaired by the Chief Minister took care of the state-level coordination.

Notable measures were taken to avail loans at low interest rate. Entrepreneurship loans up to Rs 10 lakh were made available through banks at an interest rate of just 4%

An online portal was also established for coordinating all committees and interns will update the details of new ventures in this portal. Everything was transparent. Information pertaining to all the ventures started in each panchayat was made available in this portal. Currently, a total of 130,629 new ventures have started in Kerala till 8th February 2023 under this scheme. A cumulative

investment of RS. 7898.55 crore has been generated through these ventures. Over 281,094 people got employment. All these details are available on the portal for the public's perusal.

What kinds of campaigns were implemented for the success of the project?

We came up with three campaigns in a year. The first one was a workshop for public awareness. Awareness classes were given to all aspiring entrepreneurs in 1034 local bodies (941 panchayats and 93 municipalities). Interns would coordinate with ward members in their respective panchayats to scout for aspiring entrepreneurs. On an average, 73 individuals from each panchayat participated in this course. As many as 1159 classes were conducted all over Kerala in May-June months. In August, September and November, loan and subsidy fairs were conducted for them in all panchayats. As many as 51,000 people attended these fairs. Banks disbursed loans and departments issued licenses at these events. The next phase involved devising marketing strategies. Trade fairs were held at taluk-level where the budding entrepreneurs were given training in strategies to market their products. These trade fairs were held in 59 taluks and district centres in November and December.

The next campaign involved the entrepreneurs' conclave. A meeting of 10,000 entrepreneurs was held in Ernakulam. It was for the first time ever such a large number of entrepreneurs were coming together. In the past, we would see such a mass gathering either for the meeting of the political parties or unions. This meet was a great confidence building measure. The primary aim of holding this conclave was to convince the public that our State was able to create more than one lakh entrepreneurs within a short span of one year.

What new schemes and policies were introduced to pave way for such a massive change?

Notable measures were taken to avail loans at low interest rate. Entrepreneurship loans up to Rs 10 lakh were made available through banks at an interest rate of just 4%. If a bank charges 9% interest, the industries department would reimburse the entrepreneur with the extra 5%.

Many believe that Kerala is not a fertile land for industries. This project is a first step towards changing that misconception by setting up an ecosystem to prove that Kerala is in fact a good place for micro, small and medium enterprises.

The next emphasis was given to infrastructure development which was helpful to the entrepreneurs concerned. Sanctions were issued to start private industrial parks as there is no space left in the government parks. You need land to start a business. If an individual with 10 acres of land comes forward to start an industrial park, the government will give Rs 3 crore at the rate of Rs 30 lakh per acre. So far, 8 people has come forward. It is expected that 100 people will come forward in 4 years.

Another major step was to establish a coordinated system of various departments for grievance redressal. A six-month certificate course in entrepreneurship was held at Digital University Kerala aimed at capacity building of the interns.

If any problem encountered by the already started ventures, is there any facility to address and solve it?

When you get sick, you go to the doctor. Similarly, these new ventures will also encounter problems in the future and they would require guidance and even treatment. The treatment has to be given before the venture is hospitalized. It is for this purpose that MSME Clinics were established. 10 – 15 experts would be empaneled in each district for this. Already, over 150 have been empaneled. These experts can be consulted for anything related to managing a business. The industries department would pay their fees. Another major step is that the industries department is now fully online.

What is the real benefit achieved through the success of this project?

Many believe that Kerala is not a fertile land for industries. This project is a first step towards changing that misconception by setting up an ecosystem to prove that Kerala is in fact a good place for micro, small and medium enterprises. This in itself is a big achievement. It got national recognition too. Kerala has always been number one in health, education and startup sectors. Now, we are going to achieve the same feat in the industries sector too. This project was chosen to be presented as the best practice in the industry at a meeting of chief secretaries convened by the Prime Minister.

Sectors of Commenced Enterprises (As on 09-02-2023)

Sl No	Sector	No of enterprises generated	Investment started	Employment (Rs in Crore)
1	Trade activity	44696	2563.4	82359
2	Agro food, Beverage, Meat/ Fish Product and Processing	22465	1298.46	55767
3	Garments and Textiles, Tailoring, Boutique, Appara Designing, Ornaments	14090	568.2	28425
4	Other service Activities	10607	632.3	23225
5	Electrical & Electronics Products and Services, IT and Mobile Hardware, Cable TV, Internet	5156	292.07	9518
6	Personal Care Product and Sevices, Cosmetics, Wellness, Gymnasium, Martial Arts, Yoga	4602	242.58	8448
7	Automobile Sevice / Repair	3792	264.16	8683
8	Building Materials, Construction, Architecture, Structural Designing	3661	354.57	10496
9	Video/ Photo Processing, Media & Entertainment, Event Management, Printing & Publishing, DTP	3588	206.31	7047
10	Medical/ Hospital equipments, Medical Labs	2246	261.57	6880
11	Other manufacturing activities	2242	164.06	6251
12	Knowledge Services, Training/ Coaching Centres	2188	96.38	5681
13	General Engineering & Precision Engineering (Steel, Iron etc Products / fabrication)	1874	156.39	4721
14	Drugs and Pharmaceuticals including Ayurveda	1828	116.36	3848
15	Travel and Tourism, Hospitality	1499	177.94	3278
16	Wood Products	1481	183.53	4310
17	Handloom, Coir & Handicraft items	1204	28.33	2958
18	Information Technology/Artificial Intelligence/ Robotics/ BPM	708	29.56	1684
19	Paper Products	615	54.1	1966
20	Chemical Products	560	38.79	1407
21	Organic / Chemical Fertilzers	280	14.69	583
22	Plastic Products	266	44.92	875
23	Leather Products	260	16.32	585
24	Rubber Products	252	29.53	597
25	Recycling, Waste Management	217	20.07	832
26	Energy and Renewable Energy	142	20.18	376
27	Glass Products	129	17.92	325
28	Biotechnology	26	6.04	102
	other	80	-	-
	Total	130754	7898.73	281227

What are the steps taken to sustain the newly started enterprises and strengthen the existing ones?

This newly introduced system will continue. More new ventures will emerge. The same campaign will continue for another year too. People have already started coming forward, putting aside any doubts regarding the success of enterprises in Kerala. Special measures will be taken to ensure continuity of this project.

Efforts are there to choose 1000 enterprises from the existing ones and see whether they can be scaled up to ventures with turnover of Rs 100 crore in the next four years. For example, suppose an enterprise with a current turnover of Rs 20 crore has remained with an annual turnover of RS 20 crore for the last four years. The question is whether its turnover can be taken to Rs 100 crore. If yes, what are the measures to be taken. All those measures will be implemented. In other words, the aim is to scale micro enterprises to small, small to medium and medium to large enterprises.

Thousand enterprises will be chosen and whatever measures are possible will be taken to

This newly introduced system will continue. More new ventures will emerge. The same campaign will continue for another year too.

elevate them to the global market. There is a concept of one product for one panchayat. As part of this one product each was selected from 500 panchayats. There will be efforts to develop these products further. Most panchayats have land suitable for setting up industries. The scope of converting those lands into industrial parks will be probed.

Another aim is to introduce the Kerala brand mark. For example, the coconut oil has AGMARK and ISI certification. The aim is to issue Kerala brand marks along with that. The department is currently mulling over the implementation of this system. ■



SCRIPTING A NEW HISTORY



Representing 1,24,249 entrepreneurs in Kerala state, 10,000 people gathered at the Jawaharlal Nehru International Stadium in Kaloor. The conclave became the biggest industrial event in the history of Kerala. The Year of Entrepreneurs, which started with a target of one lakh ventures a year, has achieved the goal on day 245. The conclave has become a gathering of ordinary people who have launched their enterprises from rural and urban areas of Kerala.





ANEESHA T.
Content Developer
KSIDC, Trivandrum

Samrambhaka Maha Sangamam became a pathfinder for the grass-roots development of Kerala. It will lead us to an industrial revolution in the future. There are lots of people gathered in the conclave with diverse entrepreneurship, and a handful of them are telling their experiences for us. 10,000 entrepreneurs from Kasaragod to Thiruvananthapuram gathered in the conclave. 40,000 women have become entrepreneurs through the Entrepreneur Year scheme. The entrepreneurs who participated in the conclave proved that Kerala is the most industrial-friendly state in India. The target of one lakh ventures was achieved in 245 days. So far more than 1,24,249 enterprises have been started. Around 7533.12 crores worth of investment through the scheme. More than 2,67,823 jobs were created in different sectors and nine transgenders became part of the scheme.

The commercial and nationalised banks and the Department of Finance took positive measures to uplift the entrepreneurs. It is decided to continue the same

campaign next year also. The success of the scheme is the result of crystal-clear supervision by the Chief Minister and the Industries Minister. A detailed study was conducted on the suitable micro, small and medium industries. The discussions with various industrial and labour organisations have yielded good results. It is because of all these endeavours; the target of one lakh enterprises within 245 days was realized. Goods and raw materials worth Rs 1,09,000 crore have been imported and sold in Kerala every year. Based on the potential projects, the Industries department made a precise understanding and prepared a project report suitable for each area. Four or five products were given to each of the local bodies out of which they selected one product. 450 institutions have participated in it. For the successful implementation of the project, 1253 interns have been appointed. The interns were assigned to each panchayat and a municipal corporation and also started help desks in local institutions. They worked very well at the grassroots level. The State Industries Department's Entrepreneur Year scheme has received national recognition in the National Conference of State Chief Secretaries presided over by the Prime Minister. ■



When their dreams get materialised...



SUCCESS TASTES TENDER AND SWEET

Shefiq, Ramanattukara

"I'm a graduate. When the government of Kerala announced the scheme One Lakh Enterprises a Year, I got excited. The officers from the district industries department were very supportive and helped me realise my dream as a entrepreneur. Tender coconuts brought from Attapadi, Mannarkkad and Ramanattukara are put on sale at Rs 50 per unit. Now there are six employees and planning to launch a tender coconut shake initiative soon" Says Shefiq. The scientific method of CPCRI is adopted to maintain the sweetness and quality which will remain intact for up to 21 days. No adulterations are used in the manufacturing.



REUSABLE SANITARY NAPKINS

Raji Shanoj, Kasaragod

'A 3' sanitary napkin can be washed and used for more than two years, says Raji Shanoj, an entrepreneur from Kasaragod. The manufacturing of sanitary napkins gives employment to eight people, including my husband says Raji. The sanitary napkin is made of three types of cloth. A specially prepared bacteria-free cloth is used as the raw material. The cloths are brought from other states and abroad. Three to six napkins are available in a pack of "A 3'. The napkins are available in various sizes. Customised napkins for patients and children are also provided.



EVEN WHEELCHAIRS CAN FLY

Rupak

A severe spinal injury left me in a wheelchair. But I started Helio Physiotherapy, with the support of the Entrepreneur Year Scheme. Today Helio has 17 employees, including three doctors. Speech therapy, behavioral therapy, physiotherapy and counselling services are also available. It is true that anyone can be an entrepreneur and the fact that the government will be with us is 100% true.

CUSTOMISED HAPPINESS

Yadu Krishnan H., Alappuzha

My venture is to make customized gifts engraved on wood by laser. The product is sold on online platforms under the brand name 'Hewdes'.

We started this enterprise with a capital amount of one lakh. Kerala's Entrepreneurial Year scheme helped me to realize my goal to become an entrepreneur.



KERALA IS INDUSTRIAL FRIENDLY NOW

Mohammed Iqbal

Techno Make Electronic Pvt Ltd is selling medical electronics components, providing GPS Services and Artificial Intelligence services. Our capital is 4.5 crores. With the implementation of K-SWIFT, it was easy for us to obtain 16 licenses. The Industries Department, their interns are doing a great job and are providing transparent services. Kerala is industrial friendly now.





TURMERIC ADDED VALUE TO MY LIFE

Geetha

“Even though I was desperate when I lost sight at the age of 13, I tried to survive. I made value-added products from turmeric. Our product, Kurku Meal, was spawned out of my optimism and idea” said Geetha. Kurku Mix is a product that contains almonds and dates which can be directly given to babies. Apart from this, there is also a new product called First Drink. In addition to manufacturing and marketing, the product is sold in stores and online markets. The Industries department and the government of Kerala is giving immense support to our venture”.



ENTREPRENEURSHIP ALONG WITH IT PROFESSION

Mario Moidino, Fort Kochi

“I’m a software engineer in Bengaluru, and currently residing at Kakknad. I’m trying to run the enterprise along with the IT work” says Mario Moidino from Fort Kochi. Mario Moidino is starting a company ‘Berkkichi’ manufacturing squash, jam and pickles from pineapple. The company will start its operations once the bank loan is disbursed to purchase the machinery. The venture will have the capacity to provide employment opportunities for 12 people.

NATURAL SOAP FROM CUCUMBER

Haneefa Himsak, Kasaragod

“The first stage of cucumber soap manufacturing was very strenuous. The cucumber is converted into paste form and is mixed with coconut oil. With the addition of a small amount of fragrance, the cucumber soap is ready. With one and a half kg of cucumbers and one kg of coconut oil, we can make 30 soaps of 75 grams. Now it’s a brand named Kuku Mix. I’m also giving training in cucumber soap production for Kudumbashree members. The industries center is providing financial support for the enterprise”



YOU WILL LOVE LA BAE

Lalu Thomas

La Bae, a mushroom infused coffee brand, has been developed with the help of Krishi Vigyan Kendra. Now it’s ready to launch in the UAE with the help of the entrepreneurship programme of the state government. It’s the first mushroom coffee powder from Kerala. The nutritional value of the mushroom coffee was evaluated at the laboratories of Council for Food Research and Development (CFRD) and Cashew Export Promotion Council of India (CEPCI). Organic AAA grade arabica coffee directly collected from the farmers in the Wayanad district is used for our product. La Bae was launched by the Industries Minister P. Rajeeve.





PINARAYI VIJAYAN, CHIEF MINISTER WITH TROOPS OF 122 INFANTRY BATTALION (TERRITORIAL ARMY) OF THE MADRAS REGIMENT AT WEST HILL BARRACKS, KOZHIKODE

A RED-LETTER DAY FOR THE SOLDIERS

Soldiers of 122 Infantry Battalion (Territorial Army) of the Madras Regiment at West Hill Barracks, Kozhikode were on cloud nine when the Chief Minister of Kerala visited them on 2 January 2022. After spending a lot of time with the soldiers at the Headquarters in Kozhikode, the Chief Minister said that the State Government was willing to undertake more projects aimed at the welfare of the Army men and their families. The Chief Minister went on saying that the government was keen on doing everything possible with special consideration for those injured or killed during their duty. "We are open to any other suggestions meant for the further welfare needs of the community", he added.



AFTER GROUP PHOTOGRAPH WITH TROOPS OF 122 INFANTRY BATTALION (TERRITORIAL ARMY) MADRAS CHIEF MINISTER OF KERALA, COL D NAVIN BENJIT COMMANDING OFFICER & SUB MAJ (HONY LT) ASHOKAN P ON 02 JAN 2023

VISITORS BOOK SIGNATURE BY PINARAYI VIJAYAN, CHIEF MINISTER OF KERALA DURING VISIT AT 122 INFANTRY BATTALION (TERRITORIAL ARMY) MADRAS ON 02 JAN 2023





VEER NARI'S FELICITATION BY CHIEF MINISTER OF KERALA PINARAYI VIJAYAN DURING VISIT AT 122 INFANTRY BATTALION (TERRITORIAL ARMY) MADRAS ON 02 JAN 2023



COL D NAVIN BENJIT, COMMANDING OFFICER & SUB MAJ (HONY LT) ASHOKAN P OF 122 INFANTRY BATTALION (TERRITORIAL ARMY) MADRAS RECEIVING CHIEF MINISTER APPRECIATION FROM CHIEF MINISTER OF KERALA PINARAYI VIJAYAN ON 02 JAN 2023

CHIEF MINISTER OF KERALA PINARAYI VIJAYAN RECEIVING THAMBI MEMENTO FROM COL D NAVIN BENJIT, COMMANDING OFFICER & SUB MAJ (HONY LT) ASHOKAN P OF 122 INFANTRY BATTALION (TERRITORIAL ARMY) MADRAS ON 02 JAN 2023





“Now, everyone can invest with heightened confidence”, they say

Kerala is marching on proudly with tales of accomplishments that were thought to be unattainable, the most important among them being the radical advancements in the industrial sector.



SRUTHI SREEKUMAR
Writer

“I have been a businessman in Kerala for the last thirty years, and I can guarantee that I have witnessed the rise and fall of the sector in the state.”, says **Geemon Korah, the CEO & Executive Director of Kancor Ingredients Private Limited.** “The industrial environment has changed quite a bit, for the better, in the last few years”.

“There is a strong commitment from the

leadership, to resolve issues at all levels. The mindsets of the people are changing along with the government and they understand and appreciate the fact that industries are required for the development of the state. The government is also embracing this change and supporting entrepreneurship in all ways possible. These can be seen in the new laws and policies issued, be it promoting MSMEs, the new plantation laws, or the labour laws; everything reflects the change in the intent, attitude and perspective towards industrial growth and development in the state.

It was quite difficult earlier to be an entrepreneur in the state, whereas there’s been a huge surge in the

number of entrepreneurial activities over the last seven years. Most important of all, if you have an issue today, there's someone you can approach to talk to and find a solution for the problem. These channels of communication never existed before. The government is being responsive to the needs of the industrial sector and that in itself solves half the hurdles.", Geemon lauded the government.

" Kerala has one of the most intelligent workforces in the country. The youth is highly educated and it is important to retain the youth base in the state, but that won't be possible without industries providing ample job opportunities. There are certain things the government must consider when it comes to the industrial sector. Primary among that is to recognise the existing industries and provide them with all the necessary support to grow and nurture. Else, there is always the possibility that such industries will lose their faith in the governments and move to greener pastures. The government is at present doing it to the best of its capabilities and that is a huge encouragement to the existing enterprises. Secondly, inviting the right kind of investment into Kerala is of the utmost importance. Not only for the preservation of the ecological, biological and sociological environment of the state but also to ensure a healthy coexistence between the new industries and the existing industries. Thirdly, there needs to be a close connection between the industry and academia, to ensure that the students educated in the state are made eligible for employment. The Graphene policy is a worthy example of the state taking the right measure in the sector. Lastly, educating the grassroots levels is very important so that they support industrial growth and not hamper or hinder it."he concluded.

Sreenath Vishnu, Executive Director, the Brahmins Group spoke to Kerala Calling about his experience in running a private enterprise in Kerala. "Brahmins began in Kerala 37 years ago. We do not have units in any other state or country. All five of our units are in Kerala. It is because this state provides us with the foundation to flourish that our industry has rooted and grown well here. The biggest advantage that Kerala has in terms of its consumer service industry is its market proximity. There are over 60,000 shops in the state, in the grocery sector alone. No other state has such a wide retail network. Kerala has one of the best markets in the country for industrial development, be it in terms of purchasing power, per capita income, or logistics. It has a rich selective



Geemon Korah
CEO & Executive Director
Kancor Ingredients
Private Limited.



Sreenath Vishnu
Executive Director,
Brahmins Group



Viju Jacob
Managing Director
Synthite Group

consumer consumption."

He also added that the state government has been extremely supportive of industries. "Initiatives like the K-SWIFT are truly a boon. I obtained the licence for my unit in under one hour. Such initiatives will put Kerala at the top of the industrial ranking for sure. Fine-tune a few other glitches and the state will be the best in the country for investments. At present, there is a slight shortage of industrial parks in the state. But the government is working towards rectifying and improving upon these limitations. Besides the government, manufacturers have certain responsibilities towards the state and its people. Major among them is proper waste disposal. It is extremely important to dispose of industrial waste in the right scientific manner, without causing any harm to nature or people." He concluded

Viju Jacob, the Managing Director of Synthite Group opined that the industrial ministry is highly efficient this term of the government. "Synthite is celebrating its 50th anniversary this year in Kerala. The state has indeed helped us grow, and to continue flourishing in the state. New age education measures are necessary to equip the youth to stay on top of such a competitive environment. Also, effective cooperation between the various ministries, to ensure a complete circle of integrative development is highly necessary if we want to take the state to the next level in the industrial sector. There is a great opportunity for technical enterprises to thrive in the state."He said

"We are currently in the golden era of entrepreneurship, counting since the time Kerala was founded. Entrepreneurs are receiving support left and right from the government without much ado. A centralized inspection system was introduced before the scheme and laws were passed in favour of the entrepreneurs in the legislature. All the measures taken by the government undoubtedly helped the government to win the trust of the entrepreneurs, resulting in over 1,00,000 enterprises in the state within a short span of 8 months. The government has a huge responsibility to continue maintaining this trust in its entrepreneurs. A plan has been implemented by the state government to scale up those who have started enterprises. The state is seeing change. Your neighbour or friend has become an entrepreneur this financial year. There's more to come. Consistent changes will most definitely result in a positive surge in the advancement of the industrial platform in Kerala." Viju concluded with confidence. ■



Building up a robust entrepreneurial ecosystem

The new Kerala Industrial Policy 2022 (now in the draft stage) aims to foster a conducive and sustainable industrial ecosystem that brings about investment and innovation.



SUMAN BILLAL IAS

Principal Secretary, Industries and Non-Resident Keralite's Affairs

Kerala ranks among the developed nations in terms of human development indices. Outstanding achievements have been made by the State in the fields of education, health, and social welfare. The State's limitation, however, was its inability to achieve intended growth in the manufacturing sector. Recognizing this, the previous Pinarayi Vijayan government attempted to attract more investments to the industrial sector and create job opportunities. The government intends to continue the industrial policy approved by the previous government, through this new policy.

The key objectives that the policy would strive to meet include building a robust entrepreneurial ecosystem and making the State a thriving Start-up destination. It also lay emphasis on creating an innovation infrastructure to cater to the futuristic industries, thereby creating an Industry 4.0-compliant industry ecosystem. Other objectives include maximizing private investments in industrial infrastructure development, strengthening of logistics infrastructure, upgradation of traditional industries by infusing new technologies, and enabling easy access to e-commerce platforms. It would cater to enhance industry-ready skill sets and create large number of job opportunities.

The new Industrial Policy has identified 22 priority sectors that would be key for the future industrial development of the State. These are **Aerospace & Defence; Artificial Intelligence, Robotics & other Breakthrough Technologies; Ayurveda; Biotechnology & Lifesciences; Design; Electric Vehicles; Electronic System Design & Manufacturing; Engineering R&D; Food Technologies; Graphene; Hitech Farming & Value-Added Plantation Produce; High Valued-Added Rubber Products; Logistics & Packaging; Maritime Sector; Medical Equipments; Nanotechnology; Pharmaceuticals; Recycling & Waste Management; Renewable Energy; Retail Sector; Tourism & Hospitality; and 3D Printing.** The policy aims at attracting industry players from these priority sectors to the State.

The new Industrial Policy endeavors to build the brand equity of "Kerala" and enhance its leadership position across key segments globally. Emphasis will be laid to promote the manufacturing capabilities and create sector-focused infrastructure and clusters. Mechanisms will be put in place towards improving access to funding, and to attract large capital investments in innovative and high potential businesses. The Policy aims at establishing multiple interfaces for entrepreneur engagement,



The new Industrial Policy has identified 22 priority sectors that would be key for the future industrial development of the State.

besides enabling sectoral partnerships between government and industry to increase sector-led investments to the State. R&D capabilities would be enhanced, and enterprises will be encouraged to adopt best practices in ESG.

The New Industrial Policy of Kerala would foster responsible investments and promote sustainable industries in the State. Global linkages would be built to foster foreign investments and exports. It would ensure a seamless environment for Doing Business in the State, at the same time create an atmosphere to work, live and play.

The new Industrial Policy is centered around the following 7 focus pillars;

- **Fostering Entrepreneurship**
- **Enabling Infrastructure**
- **Transition to Hi-tech**
- **Skill Development**
- **Supportive Business Environment**
- **Enhancing 'Kerala' Brand Equity**
- **Building sectoral ecosystems**
(Priority Sectors)

These pillars would aid the various implementing agencies, industry partners and other stakeholders to work in a concerted manner to achieve the Policy objectives and usher in development of a robust Industry 4.0-ready ecosystem in the State.

The new Industrial Policy, 2022 would be the first of its kind to lay down specific incentives for industries/ enterprises in the Priority Sectors.

For instance, Micro, Small & Medium enterprises being set up in the identified Priority Sectors would become eligible to a host of incentives ranging from low-interest loans, to Capital subsidy incentives, Electricity Duty exemption, and incentive for going public (IPO). Similarly, Large & Mega investments would benefit from incentives such as Investment subsidy, SGST reimbursement, and waiver of land category conversion charges.

Priority sector industries would also become eligible for certain other incentives such as waiver of Stamp Duty & Registration charges on lease deed/ purchase of land/ building for setting up manufacturing units, infrastructure development support to Private Industrial Estates, Incentive for participation in domestic/ international trade fairs, Incentives for creation of Intellectual Property and Quality Certifications, Incentives for sustainability and responsible industrialization (like setting up ETP, installations for substitution of power from grid, rainwater harvesting, Zero Discharge technologies, recycling of e-waste and recycling of wastewater), Incentives for IR 4.0 initiatives in manufacturing (like reimbursement of cost of software, big data analytic tools, etc.), Research & Development Incentive for units engaged in R&D with universities in the State, Incentive for scaling up of Startups, and Incentive for 'Made in Kerala' branding & marketing.

The various incentives, as mentioned above, for Priority sector enterprises, would foster an inclusive and sustainable industrial ecosystem that ushers in Industry 4.0 and promotes investment and innovation. The Industrial Policy will be constantly evolving in nature, with suitable amendments and sub-policies added on from time to time, based on industry requirements and sectoral trends. ■

Transformation of Public Sector Units (PSUs) in Kerala



A.P.M. MOHAMMED HANISH IAS

Principal Secretary to Government
Industries Department

The Public Sector Units (PSUs) have been an integral part of the Indian economy since independence and played an important role in the industrialisation and overall development of our Nation. Besides acting as a catalyst for economic development, PSUs are entrusted with the task of contributing to ensuring employment generation, balanced regional growth, accelerating the growth of agriculture and industry, poverty eradication, and social justice. In pursuit of these objectives, massive investment has been made to build a strong Public Sector.

In Kerala, there are 122 functioning PSUs (BPE review 2020-21) spread across seven sectors with paid-up capital of INR 18355 Crores and provide employment to 133369 persons in different categories. Under the Administrative Department of Industries & Commerce, there are 50 PSUs including Co-operative Spinning Mills but excluding KSIDC, KINFRA (Governed by Statutes), and TEXTFED, an apex body of Co-operative Spinning Mills are being considered for the performance review by the Public Sector Restructuring

and Internal Audit Board (RIAB).

The overall performance of PSUs is to be at par with the industry benchmarks. Outdated technology, redundancy of plant & machinery for which timely modernization & technology up-gradation is required, products diversification & value addition in tune with the emerging market trends, optimization of cost of production, enhancement of productivity, research & developments for new product development, innovations, are necessary.

Key initiatives for Business Transformation of PSUs

Government of Kerala has been initiating



Sector wise classification of PSUs under the Industries Department

Sl. No	Sectors	No of PSUs
1	Chemical	8
2	Electrical	5
3	Engineering	7
4	Electronics	3
5	Ceramics	2
6	Textiles	13
7	Traditional, Welfare, Wood based and Infrastructure Development	12
Total		50

(Excluding KSIDC, KINFRA, TEXTFED)

policies and programmes to protect and strengthen the State PSUs, whereas the GOI has been divesting profit making PSUs under strategic sectors. Considering the need to further improve performance of PSUs from INR 3890 Crores and an operating profit of INR 386 Crores, the Department of Industries have undertaken the following initiatives under the leadership of the Minister for Industries, Law & Coir.

- Prepared individual Master plans for PSUs under the Industries & Commerce Department to streamline the operations with a long-term perspective. The proposed Master Plan covers modernization, diversification, technology up-gradation, capacity enhancement, R&D initiatives, production, human resource & marketing strategies etc in short-term, mid-term and long-term plans. The snapshot of the Master Plan are as follows.
- A Project Management Unit (PMU) comprising of Technical / Project Execution / Finance experts has been functioning under RIAB to ensure timely implementation of Projects proposed in the Master plan after evaluating techno-commercial viability.
- Induct professional/ Independent directors in the Director Board of PSUs as part of the Corporate Governance.
- Recommendations of Paul Antony Committee for granting autonomy with accountability in PSUs are under the active consideration of the Government.
 - Cotton Board has been constituted to ensure uninterrupted supply of cotton to textile Mills through bulk purchase of good quality cotton during crop season.
 - A B2B meet was organised for developing Business alliances with

central PSUs. A workshop was organised for Textile sector for evolving common strategy for sustainable growth. Another workshop was organised for development of an EV eco-system for Kerala. Similar initiatives are being organised in other sectors.

- Convened State level Banks & Financial Institutions meet to explore the financing options for the implementation of the projects proposed in the Master plans apart from the annual Budget allocation.
- Kerala Public Enterprises Selection and Recruitment Board (KPESRB) has been set-up to ensure more transparency in the recruitments of PSUs except the posts referred to KPSC.
- Effective utilisation of vacant land of PSUs for MSME development through PPP model.
- Institution of award to Best performing PSUs, MD and best employees to provide inspiration for improved performance of PSUs.
- Expert committees constituted for restructuring of Cashew, Coir and Handloom sectors.
- Development of E-commerce portal for traditional sector PSUs.

Major achievements

- During 2021-22, the turnover of the PSUs under the Industries Department increased to Rs.3892.13 Cr (32.41%) and operating Profit increased to Rs.386.04 Cr (105.68%) when compared to 2020-21.
- Kerala Minerals & Metals Ltd, KELTRON, Travancore Titanium Products Ltd, Travancore Cochin Chemicals Ltd, and KELTRON Component Complex registered record performance during 2021-22.
- Statutory Audits in most of the PSUs are up to date.
- PSUs under the Industries Department remitted INR 389 crores to the Exchequer during 2021-22 towards various taxes and duties.
- As an alternative Development model, took over the Hindustan News Prints Ltd (HNL), Vellore and BHEL-EML, Kasargode and resumed operation as Kerala Paper Products Ltd (KPPL) and KEL-EML respectively.
- Incorporated M/s Kerala Rubber Ltd (KRL) in the land of KPPL to develop infrastructure of international standards to promote investment/manufacturing/ value addition in natural rubber sector through public-private partnership to ensure better returns to natural rubber growers.

Implementation of the Master plans and other initiatives for business transformation will lead to increase in the number of profit-making PSUs, overall turnover, profitability, employment and development of PSUs. This transformation initiatives in PSUs would be a breakthrough in the economic development of the State of Kerala. ■

PSUs' Performance Par Excellence



VYSAKH UDAYAN

Research and Development Officer
Centre for Management Development
(CMD)

Public Sector Undertakings (PSUs) in Kerala occupies a vital place in the economy of the State as it serves as a vehicle to promote balanced and equitable growth. The State Government is always committed to improving the performance of all State PSUs, which contribute significantly to State's economic growth and progress. The PSUs in Kerala operate in sectors such as Development & Infrastructure (D&I), Financial Services

(FS), Agriculture/Plantation/Livestock (APL), Manufacturing & Production (M&P), Traditional & Welfare (T&W), Services/Trading/Consultancy (STC) and Public Utilities (PU). As per the Bureau of Public Enterprises (BPE) Review Report 2021-22 a classified Budget document of the State Government published by the Bureau of Public Enterprises (BPE), Government of Kerala, there are 131 active PSUs. The grouping of these enterprises under the aforementioned sectors is as shown in Table 1.

The Government may either wholly own the public undertakings or the ownership may partly be with the Government and partly with the private industrialists and the public. In any

Table 1: Sectoral Grouping of PSUs in Kerala

Sectors	D&I	FS	APL	M&P	T&W	STC	PU	Total
No. of PSUs	31	6	12	35	19	24	4	131

Table 2: Overview of Performance of PSUs functioning Under the Department of Industries & Commerce

Sl. No.	Financial Indicators	2020-21 (₹ in Crore)	2021-22 (₹ in Crore)	% of Increase
1	Investment (Financial)	4608.41	7025.90	52.46
2	Net worth	676.88	1365.82	101.78
3	Capital Employed	3738.27	6938.15	85.60
4	Working Capital	1375.91	3949.74	187.06
5	Net Turnover	3829.91	4372.80	14.17
6	Total Revenue	3964.66	4517.71	13.95
7	PBDIITEE*	24.30	482.52	1885.85
8	PBITEE**	-82.56	361.79	Turned Positive
9	Profit Before Tax (PBT)	-266.48	144.95	Turned Positive
10	Profit After Tax (PAT)	-298.65	46.52	Turned Positive

*- PBDIITEE means Profit Before Depreciation, Impairment, Interest, Taxes, Exceptional & Extraordinary items

**-PBDITEE means Profit Before Depreciation, Interest, Taxes, Exceptional & Extraordinary items

case the control, management and ownership remain primarily with the Government. The administrative control of the 131 PSUs is with 34 State Government departments. Out of the 131 PSUs, fifty-one enterprises (38.93%) are under the Department of Industries & Commerce. The current paper tries to examine the overall performance of PSUs under the industries & commerce department as per the published results for the financial year 2021-22.

Performance Overview

An overview of the performance of the PSUs under the department based on certain key financial indicators, which compares the performance improvement with past year figures have provided in Table 2.

Net Turnover

The enterprises under the department have generated a net turnover (excluding net of taxes and other income) of ₹ 4372.80 crore as compared to a ₹ 3829.91 crore during 2020-21 (increase of 14.17 per cent). Table 3, indicates the list of top ten enterprises in terms of net turnover under the department. The Kerala Minerals & Metals Limited (KMML) tops the list with a net turnover of ₹ 1058.26 crore followed by Kerala State Electronics Development Corporation Limited (KSEDC) (₹ 521.71 crore) and The Travancore-Cochin Chemicals Limited (TCCL) (₹ 276.14 crore). The top ten enterprises together account 73.37 per cent of the total net turnover earned by all PSUs under the department.

Table 3: Top Ten Enterprises in terms of Net Turnover under the Department of Industries & Commerce

Sl. No.	Name of the enterprise	Net Turnover during 2021-22 (₹ in Crore)	% of total Net Turnover
1	The Kerala Minerals & Metals Limited (KMML)	1058.26	24.20
2	Kerala State Electronics Development Corporation Limited (KSEDC)	521.71	11.93
3	The Travancore-Cochin Chemicals Limited (TCCL)	276.14	6.31
4	Malabar Cements Limited (MCL)	267.50	6.12
5	The Kerala State Coir Corporation Limited (KSCCL)	241.01	5.51
6	Travancore Titanium Products Limited (TTPL)	231.85	5.30
7	Kerala Small Industries Development Corporation Limited (KERALA SIDCO)	213.44	4.88
8	Transformers and Electricals Kerala Limited (TELK)	140.48	3.21
9	Kerala State Textile Corporation Limited (KSTCL)	132.30	3.03
10	Steel Industrials Kerala Limited (SILK)	125.74	2.88
	Total	3208.43	73.37



Table 4: Top Ten Profit Making Enterprises under the Department of Industries & Commerce

Sl. No	Name of the Enterprise	Net Profit (₹ in Crore)	
		2020-21	2021-22
1	The Kerala Minerals & Metals Limited (KMML)	85.27	226.91
2	Kerala State Industrial Development Corporation Limited (KSIDC)	25.50	54.93
3	Kerala State Electronics Development Corporation Limited (KSEDC)	5.80	33.57
4	Travancore Titanium Products Limited (TTPL)	-67.07	25.66
5	The Travancore-Cochin Chemicals Limited (TCCL)	-34.91	25.45
6	Malabar Cements Limited (MCL)	10.71	9.68
7	Kerala Industrial Infrastructure Development Corporation (KINFRA)	17.04	4.04
8	KINESCO Power and Utilities Private Limited (KPUPL)	3.71	3.33
9	KELTRON Component Complex Limited (KCCL)	1.38	2.67
10	The Kerala State Coir Corporation Limited (KSCCL)	0.32	1.43
Total		47.75	387.67

Profitability

During the year 2021-22 the PSUs under the department has made a net profit (Profit After Tax (PAT)) of ₹ 46.52 crore as against a net loss of ₹ 298.65 crore during the previous year. While the total profit of profit-making enterprises touched at ₹ 393.05 crore during the year 2021-22 by 19 PSUs. Out of the fifty-one enterprises under the department The Kerala Minerals & Metals Limited (KMML) has reported the highest profit amounting to ₹ 226.91 crore (KMML is also the second top profitable PSU among the 131 PSUs) followed by Kerala State Industrial Development Corporation Limited (KSIDC) (₹ 54.93 crore) and Kerala State Electronics Development Corporation Limited (KSEDC) (₹ 33.57 crore). This list of top ten enterprises in terms of PAT has indicated in Table 4.

Contribution to Exchequer

The total contribution made by the PSUs under the department towards the Central as well as State Exchequer has increased by 24.56 per cent to ₹ 535.27 crore as against ₹ 429.73 crore during the previous year. The enterprises under the department together provide employment to 23,152 employees under different categories.

R&D and CSR, Audit

The expenditure on Research and Development in PSUs under the department has increased by 49.29 per cent to ₹ 7.33 crore as compared to ₹ 4.91 crore during 2020-21. The Corporate Social Responsibility (CSR) expenditure made by PSUs has increased by 18.38 per cent to ₹ 3.80 crore as against ₹ 3.21 crore during the previous year. Twenty enterprises out of fifty-one have kept their accounts up-to-date by timely completing their audit of accounts. ■



Natural Rubber Sector for Sustainable development

Natural rubber (NR) is a major resource of Kerala with enormous scope for value addition. The government of Kerala proposed to set up an integrated facility for manufacturing value-added products from natural rubber with the objective of ensuring sustainable prices for farmers and strengthening the domestic rubber market and formed Kerala Rubber Ltd. (KRL).



SHEELA THOMAS IAS (Rtd)

Chairman & Managing Director
Kerala Rubber Limited

The evolutionary path of Natural Rubber as an industrial raw material of great commercial significance is paved with the blood and toil of millions of people.

The growth of industries based on rubber is also the story of the exploitation of native persons by 'rubber barons' who reaped benefits from the demand for the material.

What makes rubber an indispensable part of modern life is its elasticity, toughness, impermeability and non-conductivity. Reports indicate that it forms the basic raw material for more than 50,000 products of everyday use. Rubber is found in applications/products for use in homes to space shuttles and everything in between – from rubber stamps to waterproof shoes, surfing wetsuits, sports equipment, automobiles, and healthcare- virtually in every second of human life we come across a product that has rubber as a component. In India rubber was first cultivated in Assam by the British. But the industry didn't take root there. Before that in early 1873, experimental efforts were made to introduce rubber plants at the Botanical Garden in Calcutta. The first commercial Hevea plantations were started at Thattekadu in

Kerala. At present rubber is cultivated in India on an estimated 823,000 hectares. Kerala accounts for about 69.5 per cent of planted area and 73 per cent of production.

KERALA RUBBER LTD

Natural rubber (NR) is a major resource of Kerala with enormous scope for value addition. The annual value of the output of the Indian rubber products manufacturing sector is more than Rs 100,000 Crore and the export of rubber products from India is around Rs 24,000 Crore a year.

But Kerala failed to a considerable extent in capitalising on industrialisation prospects from NR. Kerala used to account for more than 90% of NR production and currently the state accounts for around 73% of rubber production in the country. However, the share of Kerala in NR consumption is only 11%, reflecting the low level of rubber-based industrialisation in the state. It is in this context that the Government of Kerala proposed to set up an integrated facility for manufacturing value-added products from natural rubber with the objective of ensuring sustainable prices for farmers and strengthening the domestic rubber market and formed Kerala Rubber Ltd. (KRL). The government of Kerala have earmarked 164 acres of land for KRL in the premises of erstwhile HNL at Velloor, Kottayam district for KRL

Activities of KRL started in 2022-23 based on Project Report prepared by Rubber Board in association with KIIFB Consultancy Services Unit.

The initial focus will be on the promotion of rubber-based industries in the MSME sector

Objectives

- Function as a promotional agency to enhance natural rubber-based industries in Kerala,
- Serve as an umbrella organisation providing all required services to natural rubber-based industries in the State, and
- Act as a link between existing rubber industry promotion agencies at the state and national levels and entrepreneurs.

KRL aims to fulfil these objectives by

- a. Setting up Rubber Industrial Complex in a part of the land at Velloor in Kottayam district and promoting manufacturing/investment by entrepreneurs/investors, including ancillary industries.
- b. Establish facilities to ensure the quality of products, promote diversification and thereby develop the competitiveness of NR-based products in the state
- c. Establish links with rubber producers through Rubber Producers Societies (RPS) and co-operatives involved in procurement, processing, aggregation, and marketing of rubber etc. and
- d. Improve the quality of processed forms of Natural Rubber (NR) and thereby enhance returns to farmers.

Major initiatives:

1. Research and Development Centre – will focus on application research of rubber materials, components, products etc.
2. Testing and Quality Control Centre – to ensure standard/quality of products and

testing facilities

3. Business Incubation Centre
4. Rubber Products Exhibition Centre
5. Training and Information Centre
6. Common facilities
 - a. Warehouses
 - b. Central tool room
 - c. Central mixing plant
 - d. Latex compounding and pre-vulcanization facilities
 - e. The common effluent treatment plant
7. Rubber Products Sterilization Centre
8. Tyre Testing Laboratory (with testing track)
9. Rubber recycling unit
10. Development of land, provision of water supply, electrical systems, a dormitory for workers, and other miscellaneous central facilities for the Industrial Complex.

The total Cost of the Project is Rs. 253.58 Crores and is scheduled to be completed by 2026-27 in two phases

On completion around 65-70 manufacturing units in the MSME sector is expected to operate from the Industrial Complex and provide direct employment to around 3000 persons and indirect employment to around 5000 persons.

Apart from this, KRL will be in a position to provide services through its promotional activities/infrastructure facilities to NR-based and allied industries in the state

The present venture of Kerala Rubber Ltd., when fully operational will be a milestone in the industrialisation of the state and a boon to rubber growers and entrepreneurs ■

Main Benefits expected from the Project

- Providing quality infrastructure for setting up natural rubber-based industries.
- Development of rubber-based industries with a specific thrust to technology-oriented and value-added non-tyre rubber products.
- Enable manufacturers to supply high-quality rubber products to domestic and international markets and make the State a hub for rubber-based industries.
- Improve marketability and value addition of natural rubber and thereby increase returns to growers with a focus on Rubber Producers Societies (RPS) and other farmer groups.
- Generate employment opportunities for the economic advancement of rural people.



THE CORRIDOR TO DEVELOPMENT

Kochi – Bengaluru Industrial Corridor (KBIC)

Kochi – Bengaluru Industrial Corridor (KBIC) is an extension of the Chennai – Bengaluru Industrial Corridor approved by the Government of India. Two nodes - Industrial Manufacturing cluster Palakkad and GIFT city Kochi are approved as part of KBIC's early bird project.



SANTHOSH KOSHY THOMAS
Managing Director
Kerala Industrial Infrastructure Development
Corporation (KINFRA)

The Kochi – Bengaluru Industrial Corridor (KBIC) will be implemented through a Special Purpose Vehicle (SPV, namely Kerala Industrial Corridor Development Corporation (KICDC) formed between National Industrial Corridor Development and Implementation Trust (NICDIT) & KINFRA. The equity participation in SPV is 50:50 by the State Govt and NICDIT, Ministry of Commerce and Industries, Govt of India. The land will be transferred to SPV free from all encumbrances as Govt of Kerala Share. The Govt of India will bring the matching contribution equivalent to the cost of the land transferred to the SPV. After getting 80 % land possession, based on the financial component of the Design Basis Report, approval for matching funds will be initiated with Govt of India.

The KBIC has two nodes Palakkad and Kochi. Details are as below:

1. Palakkad Node: Puthusserly / Kannambra land parcels

Node I – Palakkad: Land parcels identified for acquisition are Kannambra, Puthusserly I, Puthusserly II and Puthusserly III and are progressing.

We have divided the Node I acquisition into two phases. The acquisition process of Phase I comprising 1328 acres of land, is expected to be completed by Sept 2023. A historical achievement of 80% of land acquisition has happened in less than a year. It is expected to obtain the Union Cabinet Approval by March 2023. The process of drafting the EPC contract with the help of a consultant is also in progress so that we can get the project approved and floated through the APC tender.

In Phase II of Node I 269.37 acres of land in

Puthussery West & Central are identified as Phase II of Node I. 11(1) notification is published and a draft RR package is given to the administrator. It is expected to complete the acquisition by Sept 2023.

The Integrated Manufacturing Clusters (IMCs) are planned along the corridor to boost manufacturing activities. Thrust areas are value addition in Food and Beverages, Pharmaceuticals, Medicinal Chemicals and Botanical Products, Machinery & equipment (including Transformer Assembly; Electrical Panel Assembly; Transmission Equipment; Pumps, Defence and aerospace products), Textiles, Non-metallic and Mineral Products, Rubber, and plastic products, Semiconductors, Integrated Circuits, Medical Equipment, Printed Circuits, Nanotech products, Liquid Crystal Devices, Data processing machines, Gears & gearing machinery, Valves, and Boiler Shells, Transmission Shafts, PVC Pipes & Tubes, Polyurethanes, Rubber Gaskets, Styrene-butadiene Rubber, Vaccines, Insulin, Contact Lenses. The logistics sector is another potential sector for investment. These industries shall be predominantly MSME and cater to local demand / export-oriented units. Palakkad Node will not only house manufacturing units but also have a housing sector within. The future residents of the development will have all the needed amenities and commercial spaces within for their daily needs. Green open spaces are proposed within the development to ensure that the future patrons work in a setting and that there seamless integration of the development with its surrounding. Once completed the development will employ 90,000 workers with a 25000 residential population.

The Board of Trustees of NICDIT approved the Master Plan and DPR amounting to Rs 1789.91 Cr for IMC Palakkad (minutes awaited.) The Expert Appraisal Committee (EAC) of MoeF&CC recommended the ToR for IMC Puthussery.

2. Kochi Node: GIFT City

Node II Kochi acquisition is progressing in 358 acres. Revised AS obtained for the acquisition of 358 Acres of land with a land cost of 840 Crores. The financial sanction from KIIFB is awaiting.

In order to put Kochi on the Global map as a destination with State-of-the-Art Infrastructure, Kochi Global Industrial Finance and Trade (GIFT) City is proposed. It will act as an Integrated Centre for Innovation and Growth. A Competitive Global Financial Centre with a focus on the Live, Work & Play concept. The thrust areas in GIFT city are Business/

Total land acquired in Palakkad in three

Kannambra	– 313 acres
Puthussery 1	– 554 acres
Puthussery 2	– 461 acres
Puthussery 3	– 269.37 acrese parcels Phase I
Kannambra	– 313.00 acres
Puthussery I	– 554.00 acres
Puthussery II	– 461.00acres
Total	– 1328.00 acres

1152.23 acres of land i.e., 80% of 1328.00 acres of land (Phase I) is in possession of KINFRA.

offices, Banking both Indian and international, Capital Markets companies, Asset Management Companies, Insurance companies, Legal, Accounting firms, Audit Management organizations, IT / ITES services, R&D, knowledge-based organizations, Hospitality, Convention Centre, Entertainment, Private equity agencies/ companies, Intelligent, safe & smart buildings.

In Phase II Puthussery West land and GIFT city will be taken up for Matching Fund after obtaining 80 % land possession. For the GIFT city Market Demand assessment, Technical Assessment Report and Draft Master plan were submitted.

The industrial corridor proposes the establishment of dedicated zones for manufacturing and promoting investments, with the intention to make the country a hub of manufacturing activity to cater to the vast domestic markets and international markets. KINFRA plays an important role in implementing the concept of Investment Friendly Kerala. KINFRA

has been playing a pivotal role in pushing Kerala's industrial growth to the path of excellence. With the completion of the project, the Kochi-Palakkad region will become a major manufacturing hub in South India. The expected project cost is Rs 2608.00 Cr. The investment in Palakkad Node I is expected to be around Rs 10,000 crore. About 22,000 direct and 80,000 indirect jobs are expected. An investment of 3000 crores is expected through Gift City, Ernakulam Node II. About 10,000 direct and 20,000 indirect jobs are expected. It is expected to add an amount of nearly 600 crores to the State exchequer every year. ■

In Phase II Puthussery West land and GIFT city will be taken up for Matching Fund after obtaining 80 % land possession. For the GIFT city Market Demand assessment, Technical Assessment Report and Draft Master plan were submitted.

Creating Favourable Industrial Climate

KINFRA has launched several innovative schemes to facilitate industrial investment and development.



KINFRA aims to create favourable conditions for the industrial growth of the state by providing a highly skilled workforce, industry-friendly workplaces, appropriate industrial land, technology-oriented approaches, methods and attitudes along with financially viable goal-oriented ultra-modern infrastructure for start-ups as well as extensions. KINFRA has launched several innovative schemes to facilitate industrial investment and development.

KINFRA is a statutory body of Govt. of Kerala formed in 1993 by an Act of Legislature dedicated to catalysing the industrial growth in Kerala by providing robust industry-specific infrastructure. KINFRA is proactively playing the role of a nodal agency for attracting potential industrial investors, creating industrial infrastructure and investment corridors, providing better connectivity, reliable water and power to increase efficiency and effectiveness, and creating customized and standard design infrastructure for entrepreneurs.

KINFRA has launched several innovative schemes to facilitate industrial investment and development. This has made it easier for investors to embark on ventures and industrialists for setting up factories. Customers are offered comprehensive infrastructure and ancillary services and a single window facility for statutory clearances.



SWIFT, an online single-window interface, has been set up to give enterprises much-needed acceleration and transparency.

KINFRA is proud to have built within the short span of three decades, 31 fully operational Industrial Parks with special sectors for Garment Manufacturing, Food Processing, Defence Equipment Manufacturing, Petrochemicals Industry, Film & Animation Sector, IT/ITES, Healthcare Products, Marine Products, Rubber, and other common industries. A stable, safe, and reliable environment for industry and commerce is available on a ready-to-occupy basis with efficient infrastructure for industries that manufacture high-value products; especially precision machinery, metallic fabrications, rubber and products, processed food, apparel, healthcare products, etc. In addition to this, KINFRA has been established as an Industrial Land Bank Facilitator and an integrated manufacturing cluster. ■

KINFRA is proud to have built within the short span of three decades, 31 fully operational Industrial Parks with special sectors for Garment Manufacturing, Food Processing, Defence Equipment Manufacturing, Petrochemicals Industry, Film & Animation Sector, IT/ITES, Healthcare Products, Marine Products, Rubber, and other common industries.

HOW TO SAVE VENTURES?

Everything an Entrepreneur Should Know



T.S. CHANDRAN

Former Deputy Director
Industries & Commerce Department.

Nobody starts a venture to fail. Failures are sometimes inevitable and it happens because of many reasons. Many entrepreneurs experience failures irrespective of the magnitude of their ventures. The reasons why a

venture fails are discussed here in light of 31 years of entrepreneurship. Three years ago, the Industries Department of Kerala conducted a study. It aimed in identifying Geo Tagging. Three lakhs were the number of registered ventures under the Industries Department. But only less than one lakh (33%) ventures were identified as functioning.

The reasons are many. It varies with different businesses. They are,



1. Not finding the right market
2. Not updating technologies
3. Inefficient management
4. Inefficiency of workers
5. Improper maintenance of books
6. Environmental and political reasons
7. Other reasons

Not finding the right market

Analyze the market and identify the demands, manufacture and production. An enterprise should emerge from the demands and problems of society. It is very important to understand the needs of society. Currently, there are some methods.

a) Market surveys-

Market surveys can be conducted personally. Many private management consultancies conduct market surveys efficiently, analyze the users and calculate future possibilities.

b) Self-studies-

There are ways in which an entrepreneur can understand the success rates by himself. This is

achieved by going through the products or services of his venture by having constant contact with the stockist, distributor, wholesaler, retailer, consumer, etc.

c) The conventional method isn't enough-

There is a way the management suggests to understand and study the market, called the 4 Ps. They are Product, Place, Price, and Promotion.

d) Business without borders-

Business without borders becomes possible at limited expense when digital marketing is used efficiently.

e) Don't avoid the opportunities to show off-

Public exhibitions make it possible for entrepreneurs to show off their services and products. Exhibitions are means to improve the market irrespective of whether it is called B2B or B2C.

Not updating technologies

One of the main reasons why ventures fail is that they follow outdated manufacturing and distribution methods. Technology is very important in the growth, and success of a venture.



Improving production, limiting expenses, diversification, development of new products, improving competence in the market, etc. are possible with better technologies. There are many ways to improve technology.

a) Depend on technological institutions-

Depending on better technological institutions like IITs, NITs, engineering research institutions, etc. is an option. Entrepreneurs can use the business incubation centres and labs here. Better technologies can be found in CSIR labs in different parts of the country, National

Research Development Corporation (NRDC), research institutes, university centres, etc.

b) Utilize government services-

The National and state government proposes plans for the betterment of technologies and provide professional mentorship programs. The main point we have to remember here is, 'outdated if not updated'.

Inefficient management

Problems in management are one of the



most important reasons for the failure of a venture aftermarket and technology. There are three points to remember to avoid inefficiency in management.

a) Be careful in partnership projects

One should take part in partnership programs only in the wake of an utmost necessity and with individuals, we can trust completely.

b) Technical or financial benefits

While including a partner in a project, think of all the technical and financial benefits one can receive from the person.

c) Precise conditions and responsibilities

There should be written conditions and accountability prepared from the beginning. One should know that business is always prone to profits and losses.

Grant ESI, PF, etc.-Access to ESI, PF, insurance, etc. will ensure the cooperation of workers to a great extent.

Act according to labour regulations-Labor rules are very strong, and they shouldn't be violated.

Improper maintenance of books

A better accounting service should be present for a business with a minimum of 5 lakh turnover. There should be a timetable for recording and rechecking the turnover. Accountants should be appointed according to the size of the venture.

Environmental and political reasons

- People will be educated on the pseudo-fallacies of government.
- Local bodies should be provided with a target.

Other reasons

The other reasons contributing in the failure of a business are as follows;

- Investing in real estate, share market, etc. without proper thought, as soon as one attains profit.
- Not receiving enough funds when needed.
- Not making use of government-issued advantages like subsidies.
- Making decisions without proper understating of rules and regulations.

To conclude, people should be made aware that ventures are aimed at the betterment of society. ■

K-SWIFT

Ensuring time-bound clearances and approval



In a bid to encourage entrepreneurship in the state, the Government of Kerala had undertaken measures to attract investment in the state and ensure inclusive industrial growth and job creation.



VARGHESE MALAKARAN

Asst. General Manager
Investment Facilitation
KSIDC

The Kerala State Industrial Development Corporation Ltd. is the Nodal Agency of Ease of Doing Business Initiative launched a Single Window Clearance system- K-SWIFT- Kerala Single Window Interface for Fast and Transparent in pursuance of the Kerala Investment Promotion and Facilitation Act 2018 for providing time-bound clearances and approvals. It is a web-based, role-based workflow application that has been developed for online submission and monitoring of the proposals submitted by the proponents for seeking Clearance/ No Objection Certificate/ License/ Approvals/ Permissions/ Registrations and Renewals, etc from multiple departments. At present, the K-SWIFT portal has become a "one-stop-shop" for approvals and clearances needed by investors, entrepreneurs, and businesses in the State. The portal, as of today, hosts 90 plus services across 21 departments. As of today, 53,882 registered users. To issue spot approvals based on self-certification, the MSME module has also been integrated into K-SWIFT and as of today issued 30657 MSME Acknowledgment Certificates. One of the biggest achievements of K-SWIFT is doing away with the need for multiple application

submissions across various portals. Post-launch of K-SWIFT, the business in the state obtains Digital time-bound Clearance/ No Objection Certificate/ License/ Approvals/ Permissions/ Registrations and Renewals only through K-SWIFT and refrained from applying through independent Department portals and from accepting offline applications, compelling entrepreneurs to personally visit Departmental offices to submit hard copies of Application form and supporting documents. K-SWIFT brought transparency, accountability, and responsiveness and all information are available on the public dashboard. The Portal provides updated information relating to the latest Acts/Rules, policy initiatives, and reforms are undertaken by the Government to facilitate and handhold the investors.

1. Description of Solution Designed / Implemented

The Government of Kerala is committed to simplifying the processes and expediting project approvals. Kerala has embarked on a mission to leverage technology to complement the governance framework. K-SWIFT was built to meet the fast-paced approval timelines and streamline the application process for setting up and running enterprises in the State through a unified e-platform. It was envisaged as a One-stop digital platform to facilitate all requisite clearances/approvals required to start business



operations and to act as a Single portal integrating the existing clearance systems of various Departments/ Agencies without disruption to their web portals and services. Access to all services is now made available in K-SWIFT through single sign-on user credentials. Also, K-SWIFT has eliminated the need for investors to visit multiple platforms to gather information and obtain clearances from and provides time-bound approvals and real-time status updates to investors. K-SWIFT houses an investment wizard to identify approvals, Common Application Form across Departments, provision to issue digital approvals, and deemed approvals beyond 30 days. The system has integrated with an online payment mechanism so that payments involved with all departments can be made quickly. Users are provided with exclusive dashboards with report generation capability to view application status and an online query handling mechanism eliminating physical touch points. The system is designed in such a way that Investors and Government officials can log in and take the following actions.

K-SWIFT - Key functionalities

Know Your Approval (KYA) Service: This service is applicable with over 90 approvals across 21 Departments/Agencies. Asking a set of dynamic questions about their planned business activities, ostensibly simple and easy, has complex automated logic built into it to filter out the approvals, and it displays the services only those related to a specific investor or entrepreneur. An intelligent information processor that creates a list of approvals required by any company to start operations.

Common Application Form: Unified information capturing system along with the Common Application Form (CAF) is designed in such a way that basic information is auto-populated on forms, eliminating the need to fill multiple applications to various services of Departments. CAF is required to be submitted for the first time only. After verification, a Unique Identification Number (UIN) will be generated online and issued. With this number, you can track the Status.

Single Sign-On (SSO): K-SWIFT is the Single Window interface for the proponent to submit applications for getting all types of clearances. 60-plus web-based services existing on portals of various departments have been integrated by way of single sign-on (SSO) through the K-SWIFT portal. Access to all these services is now made available in K-SWIFT through single sign-on user credentials.

Dynamic Dashboard: Dynamic Dashboard provides the user an interface to see the applied application status, and track and respond to the queries pertaining to approvals across multiple departments. A common dashboard on the home page of K-SWIFT can be accessed by the public to see the number of applications received, processed, approved, the median and average time taken, etc by each department.

K-SWIFT has brought transparency, accountability, and responsiveness to the ecosystem and all information is made available on a single platform K-SWIFT. Both Government and Investors have benefitted from this initiative. ■

K-SWIFT has brought transparency, accountability, and responsiveness to the ecosystem



A facelift for Mining and Geology

The Department of Mining and Geology has undergone tremendous changes and incorporated novel technologies to provide transparent and better service to the public.



DEVIDAS N. IAS

Director,
Department of Mining and Geology

On the enactment of the Mines and Minerals (Development & Regulation) Act by the Parliament in the year 1957, State Government started exercising its power over the minerals by granting mineral concessions for major minerals. In the year 1967, State Government enacted the Kerala Minor Mineral Concession Rules for regulating the grant of mineral concessions for minor minerals in the State. In order to carry out the regulatory functions, in the year 1970, the Department of Geology was reorganized and renamed 'The Department of Mining and Geology'. In due course, district-level offices and regional-level offices were set up and as of now, besides the Directorate at Thiruvananthapuram, the department has 14 district offices, 3 Mineral Squad, and one Special Squad.

District Survey Report (DSR)

DSR is a main prerequisite for obtaining environmental clearance for mining activities. The main purpose of DSR is to identify the mineral resources and develop the mining activities along with other relevant data of the districts. In Kerala DSR of all Districts was prepared in 2016, the validity of which expired in 2021. Hence DSR was started to prepare on March 2022 and completed on August 2022 which was a great achievement of the Department.

Drone-Lidar technology

The Department of Mining & Geology is decided

to implement an administrative support system for mining clearance and compliance through GIS and Drone-Lidar technology in the Department. The administrative sanction was accorded an agreement was made between DMG and KELTRON and a work order was also given to develop the system in the department. By implementing the technology, the mining survey process will be automated to bring in more transparency.

Online delivery of services

The mining and Geology department, in line with efforts taken by the Government in transforming Kerala into a completely Digital State, has implemented an E-Office in the directorate as well as in the district and Kerala Mineral Squad (KMS) offices of the department. The department, as part of the implementation of KOMPAS (Kerala Online Mining Permit Awarding Services) the e-Governance initiative, is in the process of making available online the services rendered under the Right to Service Act. This includes a provision for the public/applicants to make online applications for grant of Quarrying Lease and Quarrying Permit.

Mineral Exploration in Kerala

The Department of Mining and Geology undertakes mineral exploration in different parts of Kerala to determine the existence of economic mineral deposits. At present, mineral exploration activities are going on in the Payyannur and Thaliparamba taluks of the Kannur district to establish economic deposits of Bauxite/Aluminous laterite/Laterite and China clay. The exploration is supervised by a geologist who directs the exploration activities and involves an Assistant Drilling Engineer, Drillers, and other workers, making use of several diamond core drilling machines. Currently,





three locations are being explored simultaneously. On the basis of field data, log details of the collected samples, and the chemical analysis results of these samples investigation reports are prepared. Finally, based on the report generated, the deposits are either auctioned or leased to interested parties on payment of royalty, depending on the quality of the mineral deposit.

Chemical Laboratory

The chemical lab is an inevitable part of the department of Mining and Geology under the exploration wing. Samples collected by the Geologists of the Department and private parties are analyzed in the chemical lab. Samples include clay, laterite bauxite, silica sand, etc. The facilities in this lab and trustworthy results are rare in the state. Therefore it is utilized by college students, research scholars, and public and government departments such as KSEB, water authority, etc. The identification of the type of sand is a unique analysis done by this lab only. Various Courts including High Court and other decision-making authorities dispose of the cases of illegal sand mining and transport only on the basis of the report from this lab.

Mineralogy and Gem testing laboratory

The mineralogy and Gem testing laboratory is attached to the Exploration Division of the Directorate. The laboratory is equipped with the latest sophisticated instruments for the identification of minerals and gemstones, the lab is providing services to the general public, gem and jewellery industries, various Govt. departments, and courts. During the financial year so far the lab has issued 525 certificates to is public after realizing the testing fee fixed by the Government. Students from various institutions often visit the laboratory to upgrade their knowledge in the field.

The mining and Geology department, in line with efforts taken by the Government in transforming Kerala into a completely Digital State, has implemented an E-Office in the directorate as well as in the district and Kerala Mineral Squad (KMS) offices of the department.

Museum & Library

The department is having a Geological Museum attached to the directorate is a rich repository of Rock/ Mineral/ Gem stones/ from various parts of the states well as from outside and geological instruments used in yester years. The Library located in the Directorate office at Thiruvananthapuram is widely used by Geologists, Chemists, Researchers, and Post Graduate Students from various interdisciplinary subjects since its inception. Though this library contained plenty of textbooks and journals, the updated documents, books, and journals are rather less. ■

To believe in fearless minds
and tireless feet,
to brave the raging seas every day
and walk side by side
with hearts that beat in time
with the waves.

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