

07 CHAPTER

Industry and Allied Sectors



Industry and Allied Sectors

The growth of manufacturing sector in the state has been curbed due to the high cost for skilled labor, the rapidly propelling land prices and the preference of the local population for white collar jobs. Also being a traditionally service oriented economy with a high density of population, the state hasn't been able to find a balanced growth strategy for manufacturing sector. The state has been successful to some extent in ensuring private capital in these sectors. Village and traditional industries have been revived and rejuvenated for healthy growth thereby bringing substantial relief to lakhs of workers depending on them for their livelihood. Medium and large industry sector have also witnessed substantial hike in public investment and with its help the KSIDC and KINFRA have initiated the setting up of mega projects. The loss making State PSUs have initiated steps for generating decent profits. For the manufacturing sector to sustain in Kerala it should aim at bringing about environmentally sustainable practices, better waste management technology, sensible use of water and forest resources, and follow a stringent quality and environment norms.

Industrial Growth

7.2 It had been a satisfying year for industry and allied sectors in Kerala. While, the manufacturing sector for the country as a whole registered a growth rate of 8.2% during 2010-11, in Kerala it recorded a wee bit higher at 8.74%. And according to the statistics published by the department of Economics and Statistics, the growth rate for the period from 2005-06 to 2010-11 averaged 7.9% at constant prices and 15.66% at current prices. The contribution of the manufacturing sector to GSDP at constant and current prices during 2010-11, was 8.28 %t and 9 % respectively.

7.3 The income from manufacturing sector to GSDP and its growth rate are given in Table 7.1

Table 7.1
Growth of manufacturing sector in Kerala (GSDP)
(Base Year 2004-05)

Year	Contribution to GSDP (₹ Lakhs)		Growth Rate (%)	
	At constant Prices	At current prices	At constant prices	At current prices
2004-05	1022058	1022058		
2005-06	1043330	1092095	2.08	6.85



Year	Contribution to GSDP (₹ Lakhs)		Growth Rate (%)	
	At constant Prices	At current prices	At constant prices	At current prices
2006-07	1117876	1229466	7.12	12.58
2007-08	1316450	1508223	17.76	22.67
2008-09	1344072	1735690	2.10	15.08
2009-10(P)	1461595	2054317	8.74	18.36
2010-11(Q)	1601496	2433143	9.57	18.44

Source: Dept. of Economics and Statistics
P: Provisional Q: Quick Estimates

Joint Stock Companies

7.4 During 2010-11, 2300 companies were newly registered which included 52 public limited and 2248 private limited Companies. One Public Limited Company and 7 private limited companies were transferred to other States during 2010-11. Details of Joint Stock Companies working in Kerala are given in Appendix 7.5

Central Sector Investment

7.5 Kerala has not been a major recipient of Central investment, its share being a measly 2.6%. Maharashtra topped the list of states with the highest central investment. As for Kerala it ranked 17th. Details of Central Sector Investment in Kerala from 2001 to 2010 are given in Appendix 7.6 and Central Sector Investment in selected States are given in Appendix 7.7 and that for 2009-10, are detailed in Appendix 7.8.

State Level Public Sector Enterprises

7.6 During the 11th plan period certain key policy initiatives like budgetary support, Strategic tie-ups, Induction of professional Management, One Time Settlement of outstanding issues, Sales tax amnesty scheme etc. were taken by the State Government to improve the performance of State units. Strategic tie ups with the central public sector undertakings were introduced in order to develop synergy and better technology and managerial system developments.

7.7 Various strategies were introduced for the revival of SLPEs such as performance management, capacity building, enhancing productivity, due diligence and asset reconstruction. Performance Management strategies like online monitoring systems, monthly reviews by the Minister in charge and institution of rewards were other notable initiatives.

7.8 Capacity Building Strategies that were initiated included professionalization of boards, transparency in selection of CEOs, Board level Committees for Succession Planning, continuous training at all levels and trade union participation in evolving operational strategies. No less important was the introduction of better financial accountability. As a result, performance of the PSUs underwent tremendous change. The achievements made by PSUs during the 11th plan period are given in Box 7.1


Box 7.1**Achievements by PSUs during 11th plan period**

- PSUs administered by Industries Department of Government of Kerala, have registered excellent growth and commendable performance during 2007-11
- Out of 36 manufacturing and commercial enterprises, 29 companies have made profit during 2010-11
- The accumulated loss as on 31-3-2011 is ₹.957.29 crore.
- PSUs registered a turnover of ₹. 2304.42 crores and a net profit of ₹. 295.79 crores
- PSUs paid dividend of around ₹. 30 crores during 2010-11
- Comprehensive restructuring packages were implemented in various PSUs
- To improve the professional management in PSUs government had constituted a committee for selection of Chief Executives on the basis of merit
- As a part of the steps being initiated by the industries Department for inter PSU tie-up on marketing of products, KSEB have established synergy with Companies like KEL, SILK etc to meet its captive demands for power/energy
- Training and Capacity Building programmes were initiated in PSUs
- Various Capacity Building Strategies were initiated like professional isation of Boards, Board level Committees for Succession Planning and continuous training at all levels

Source: RIAB

7.9 There are 63 PSUs under Industries Department, Out of which 17 have remained closed. 5 are Welfare Corporation and 4 are developmental agencies. Out of the remaining 37 Companies, 34 are engaged in manufacturing activities and 3 are under Infrastructure Sector. Sector wise number of Companies are given in Table 7.2.

Table 7.2
Sector wise number of Public Sector Companies as on 31-3-2011



Sl.No.	Category	No. of Units
1	Chemical	6
2	Ceramics & Refractories	2
3	Development and Infrastructure	3
4	Electrical Equipments	4
5	Electronics	3
6	Engineering	6
7	Textiles	7
8	Traditional and Welfare	5
9	Wood and Agro Based	1
	Total	37

Source: RIAB

7.10 During 2009-10, the turnover of profit making units was ₹ 2004.85 crores and they made a profit of ₹. 251.41 crore. There is a significant increase in turnover and profit of the profit making units in 2010-11 compared to the previous year. The turnover and profit of the profit making units in 2010-11 are ₹ 2245.41 crore and ₹. 305.39 crore respectively. During 2010-11, 29 companies have made cash profit and 5 companies showed loss. The details of profit making units and loss incurring units are

given in Table 7.3. The turnover and profit / loss of PSUs during 2010-11 under Industries Department are given in Appendix 7.9.

Table 7.3
Performance Trend (₹ Crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Profit Making Units					
Number of Units	21	24	24	29	29
Value of Production	1310.65	1305.14	1547.83	1952.82	2047.47
Turnover	1311.65	1379.89	1708.21	2004.85	2245.41
Profit made by the profit making units	135.20	140.46	187.06	251.41	305.39
Loss Incurring Units					
Number of Units	23	18	17	8	6
Value of Production	276.33	255.47	222.13	62.01	60.04
Turnover	267.36	257.64	224.63	60.57	59.00
Loss made by the loss making units	-40.97	-50.92	-59.59	-26.75	-9.61
Total					
Number of Units	44	42	41	37	35
Value of Production	1586.98	1560.61	1769.96	2014.83	2107.51
Turnover	1579.01	1637.53	1932.84	2065.42	2304.42
Net Profit/Loss(-)	94.24	89.54	127.47	224.66	295.79

Source: RIAB

Micro Small and Medium Enterprises (MSMEs)

7.11 The importance and contribution of the micro, small and medium enterprises MSME sector to the economic growth and prosperity is well established. Their role in terms of employment generation, upholding the entrepreneurial spirit and innovation has been crucial in fostering competitiveness in the economy. It can lead the State economy by acquiring exports through quality production techniques and products. MSME is fast emerging into a major income generating and employment providing sector in Kerala and India in General. The major advantage of the sector is its employment potential with less investment. As per recent statistics, MSME sector is employing nearly 45% of India's total work force. Hence Government and banks are providing lot of facilities for MSME sector.

7.12 In Kerala, MSME sector which has been provided special support by the Government, contributes greatly towards domestic needs, export marketing and foreign exchange earnings by producing varieties of products ranging from traditional to modern. Being the volume of production of MSME sector is very large, the quality of production, diversification of products, energy consumption, and environmental effects were considered all through.

7.13 The MSME sector almost overcame the Neo-liberal policies of GOI which cause huge inflow of consumer goods from neighboring nations and the post recession era thrust; and improved in terms of quality infrastructure development and social welfare of the state during the year 2010-11. It was reflected in the growth performance of the MSME sector that the sector was highly contributed in terms of investment, value of production and high employment potential for the year 2007-08 among the last 5 years. Year wise details of SSI/MSME units registered in last 6 years is shown in the Table 7.4 and the employment generated through SSI/MSME units in Kerala during the period 2005-06 to 2010-

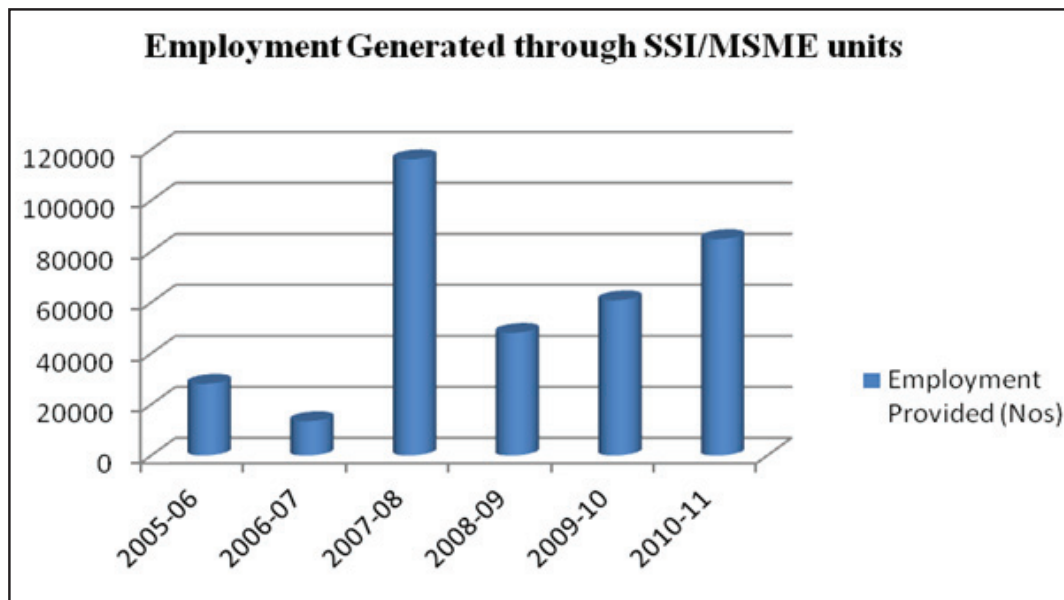
11 is pictured in the Fig 7.1

Table 7.4
Year wise details of SSI/MSME units registered in Kerala during the period 2005-06 to 2010-11

Sl. No	Year	Total investment (₹ in lakh)	Value of goods and Services Produced (₹ in lakh)	Employment Pro- vided (Nos)
1	5626	21170	100768	28128
2	1849	24494	71575	13474
3	11186	189760.31	588100.13	116189
4	8421	56594.83	132155.38	48111
5	9322	73046.34	255894.6	60876
6	10882	145365.53	13616293.7	84878

Source: Directorate of Industries & Commerce.

Fig 7.1



7.14 With a view to promote Kerala as a prime destination for industrial investments with environmental protection, various programmes were implemented during the year 2010-11. As part of developing quality industrial infrastructure in Kerala, new industrial parks with all facilities are promoted and existing Parks updated. Also adequate support is given to promote employment intensive industries like agro based and food processing, textiles and garments and handicrafts to ensure job creation. Besides, Skill development programmes are promoted. Cluster development programme is one of the key areas for MSME promotion. Separate fund from State head is provided for the development of clusters.

7.15 The total number of functional Small Scale Industry / MSME units registered in Kerala as on 31st march 2011 is 194908. Out of this, 7651 are promoted by SCs, 1505 by STs, and 186166 by others. The total investment is ₹ 892526.17 lakh, the total number of employment generated is 941981 and value of goods and services produced is ₹ 16399560.17 lakh. District wise details of Small Scale Industry / MSME units registered in Kerala as on 31.03.2011 are given in Appendix 7.10

7.16 During 2010-11, there has been a pick up in the growth of MSMEs in the State. This is evident

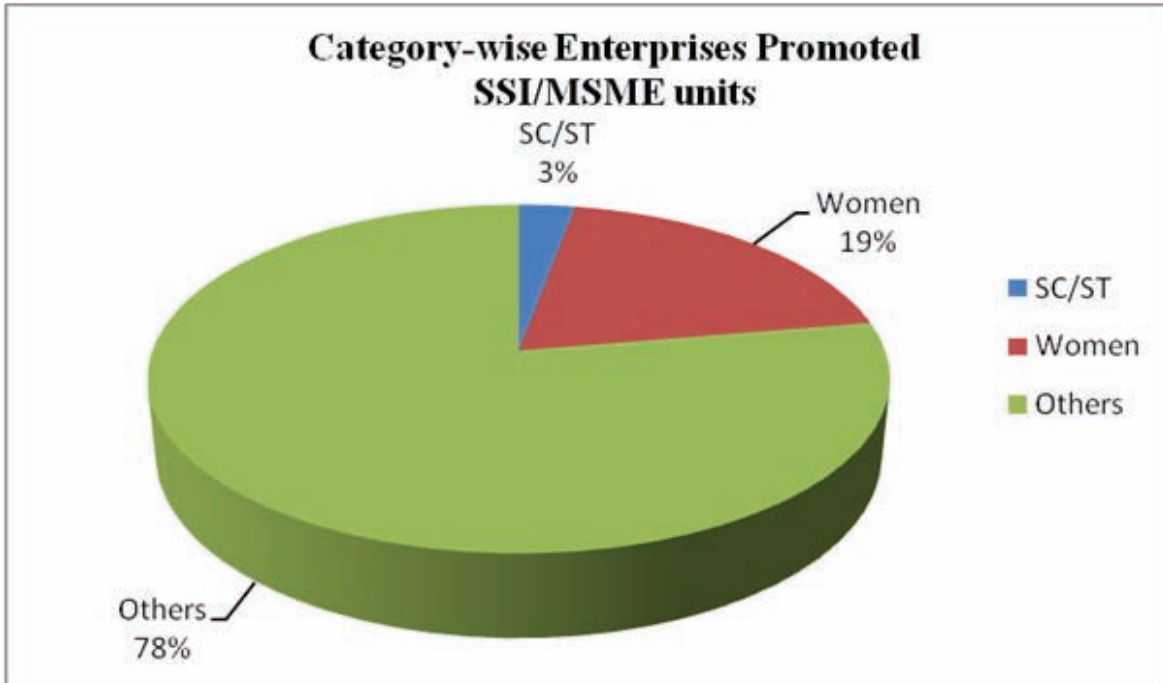
from the statistics regarding the number of new enterprises that filed Memorandum, employment growth, value of goods produced and investment made compared to the previous year. The number of new enterprises that filed Memorandum during 2010-11 was 10882 where as it was 9322 in 2009-10. During the year 2010-11, these enterprises made an investment of ₹145365.53 lakh providing employment to 84878 persons. Out of the new enterprises that filed memorandum, 327 are promoted by SCs, 60 by STs, and 10495 by others. Out of the total, 2629 enterprises are promoted by women entrepreneurs. With regard to value of goods and services produced, MSME sector recorded very modest increase during 2010-11. The value of goods and services produced during the period was ₹13616294 lakh where as it was ₹ 255894.60 lakh in 2009-10. Details of enterprises that filed memorandum during 2010-11 under the Act are given in Table 7.5 and Figure 7.2.

Table 7.5
District wise details of enterprises filed memorandum under Part II registered in Kerala during 2010-11

Sl. No.	District	No. of SSI/MSME units Promoted by					Total Investments (in lakhs)	Value of goods and services produced (in lakhs)	Employment generated (Nos)
		SC	ST	General	Total	Women			
1	2	3	4	5	6	7	8	9	10
1	Thiruvananthapuram	64	7	1006	1077	309	5752.27	8522.73	9725
2	Kollam	10	7	523	540	129	8930.01	20869.73	4782
3	Pathanamthitta	15	0	399	414	129	4872	47307	3540
4	Alappuzha	4	3	663	670	198	5648.8	35364.3	6604
5	Kottayam	14	1	618	633	170	10407.64	27149.72	3883
6	Idukki	16	1	341	358	98	4932.96	176.57	2295
7	Eranakulam	32	6	2201	2239	377	61730.19	13215847.3	25055
8	Thrissur	56	18	1452	1526	410	9983	43827	7739
9	Palakkad	33	6	773	812	193	13332	150672.14	5495
10	Malappuram	18	1	561	580	102	5928.41	14375.95	3579
11	Kozhikode	28	0	903	931	217	5893.61	34259.6	6990
12	Wayanad	7	7	262	276	82	2131.81	7603.98	1169
13	Kannur	9	0	397	406	101	3787.68	6698.82	2273
14	Kasaragod	21	3	396	420	114	2035.15	3618.79	1749
	Total	327	60	10495	10882	2629	145365.53	13616293.7	84878

Source: Directorate of Industries & Commerce

Fig. 7.2



7.17 While analyzing the performance of the MSMEs, it is evident that number of new enterprises, investment, production and employment recorded an upward trend during 2010-11 from that of the previous year. District wise analysis reveals that Ernakulam occupies highest position in terms of value of goods produced, investment made and employment provided and Kasaragod has the lowest position. During the current year (as on 30.09.2011) 6132 new enterprises have filed memorandum with an investment of ₹ 232109.52 lakh providing employment to 35054 persons. District-wise details of enterprises filed memorandum in Kerala during 2011-12 (as on 30.09.2011) are given in Appendix 7.11. Summary Results of Fourth All-India Census of MSMEs is displayed in Table 7.6.

Table 7.6
Summary Results of Fourth All-India Census of MSMEs*

Sl.No.	Parameters	India (in lakh nos.)	Kerala(in lakh nos.)
1.	Total Number of working Enterprises	100768	28128
2.	Employment –Male Female	71575	13474
3.	Enterprises by type of category - SC ST OBC Others Society Not Responded Total	588100.13	116189

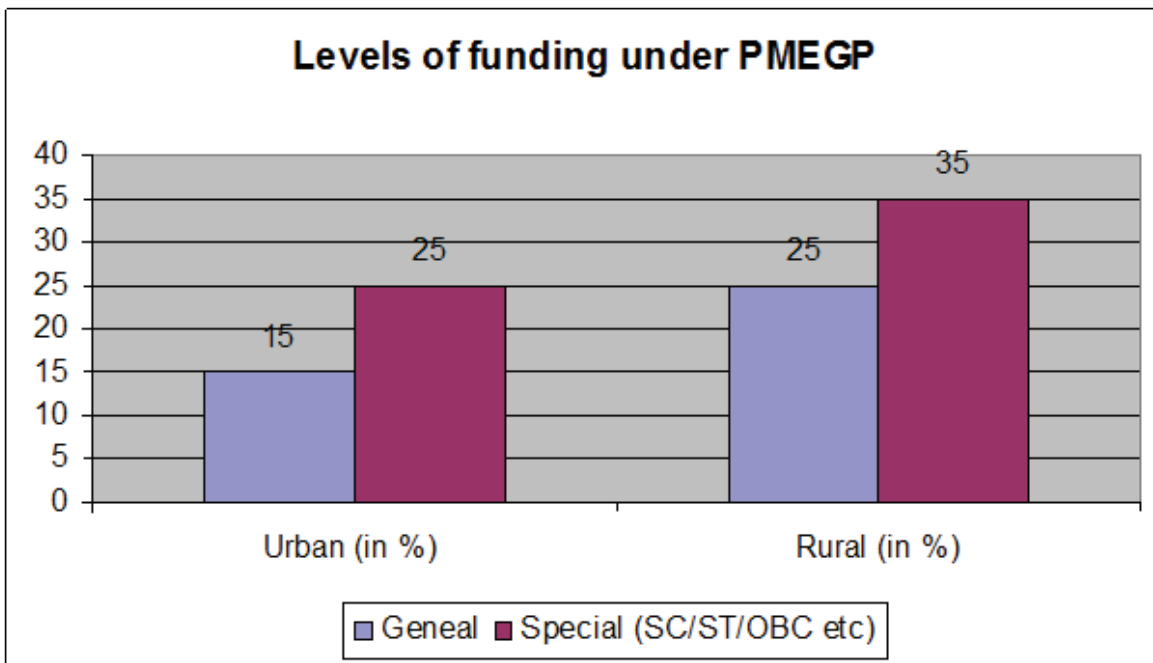
*Reference year:2006-07

Source : Directorate of Industries and Commerce

Prime Minister's Employment Generation Programme (PMEGP)

7.18 Government of India have introduced a new credit linked subsidy programme called PMEGP from 2008-09 by merging the two schemes viz., PMRY and REGP, which were in operation till 31.03.2008. The Khadi and Village Industries Commission (KVIC) was approved as the nodal agency for implementation of the scheme at National level. In Kerala, State KVIC Directorate, State Khadi and Village Industries Board (KVIB), District Industries Centres (DICs) and Banks are the agencies for implementation of the scheme. A target of 768 numbers of units was allocated to District Industries Centers during 2010-11. The maximum cost of the project/unit admissible under manufacturing sector is ₹ 25 lakh and in business/service sector is ₹10 lakh. The beneficiary contribution of general category is 10 percent and that of special category is 5 percent. The levels of funding under PMEGP is shown in Figure 7.3

Fig.7.3



7.19 The eligibility conditions of beneficiaries both general and special categories are given in box.7.2.

Box 7.2

Eligibility Conditions of beneficiaries under PMEGP.

- Any individual above 18 years of age.
- There will be no income ceiling.
- For setting up of project costing above ₹10.00 lakh in the manufacturing sector and above ₹5.00 lakh in business/service sector, the beneficiaries should possess at least VIII standard pass as educational qualification.
- Assistance will be available only for new projects.
- Self Help Groups, Institutions registered under Societies Registration Act, Production of co-operative societies, Charitable Trusts are also eligible for getting assistance under PMEGP.
- Existing units and the units already availed Government subsidy are not eligible.

7.20 Under the Prime Minister's Employment Generation Programme a total of 2810 applications have been received during 2010-11 of which 1703 have been recommended to banks. A total of 959 projects / applications involving margin money of ₹ 1183.77 lakh have been sanctioned by the banks. Banks released ₹ 971.67 lakh towards first installment to 709 beneficiaries. In addition to this, 763 persons were trained under Entrepreneur Development Programme (EDP) during the above period. Similarly, during the current year (as on 30.9.2011) a total of 1519 applications involving margin money of ₹ 841.94 lakh have been received, of which 312 have been recommended to banks. A total of 259 projects / applications involving margin money of ₹ 391.64 lakh have been sanctioned by the banks.

7.21 District wise details of loan sanctioned under PMEGP during 2010-11 and 2011-12 (as on 30.09.11) are given Appendix 7.12 & 7.13.

Box 7.3

Intellectual Property Facilitation Centre

Realizing the role of Intellectual Property Rights (IPR) in the economic development of the MSMEs, Kerala State Council for Science, Technology & Environment (KSCSTE) with the support from Ministry of MSME, Government of India has established an Intellectual Property Facilitation Centre (IPFC) exclusively for the MSME sectors in the State. IP Facilitation Centre will cater to various intellectual property needs of the MSME sectors in the State. Intellectual Property refers to the creations of human mind such as inventions, literary and artistic works and designs used in commerce. IPR protects the interests of innovators by giving them property rights over their innovations.

Industrial Co-operative Societies.

7.22 The total number of Industrial Co-operative Societies registered as on March 2011 is 2275, of these 882 are of women. The total number of working industrial co-operative societies as on 31.03.2011 was 540. Out of these, 131 societies are promoted by Scheduled Caste entrepreneurs, 33 by Scheduled Tribe entrepreneurs and 196 by women and 376 by others. The details of working industrial co-operative societies in Kerala as on 31.03.2011 are given in Appendix 7.14.

Bank Credit to SSI / MSME Sector.

7.23 The outstanding bank credit to various sectors by the commercial banks in Kerala at the end of March 2011 was ₹ 121982 crore as against ₹ 96987 crore in the previous year. The outstanding flow of credit to MSME sector showed an increase of 44 percent from ₹ 11758 crore in 2009-10 to ₹ 16894 crore in 2010-11. The share of SSI sector in the total bank credit showed a slight increase from 12 percent to 14 percent in the same period. The status of flow of credit to various sectors is given in Appendix 7.15.

Food Processing

7.24 Food processing industry has been recognized as a priority sector in Kerala due to its potential for future growth, diversification and possibility of generating substantial employment. Kerala Industrial Infrastructure Development Corporation (KINFRA) has been playing a proactive role for the promotion of food processing industry in the State. KINFRA has adopted 'Theme based parks' in the State. KINFRA has set up industrial parks to suit the specific needs of the food processing sector. Details of food processing units in KINFRA Parks during 2010-11 are given in Table 7.7.

7.25 KINFRA Food Processing Park at Kakkancherry, Special Economic Zone (Food Processing) at Kakkancherry, Food Processing Zone in KINFRA Small Industries Park, Mazhuvannur, KINFRA Food Processing Park at Adoor and Seafood Park India Private Ltd at Aroor are the five Food Processing Industries parks already set up by KINFRA.

Table 7.7
Details of Food Processing Units in KINFRA Parks during 2010-11

Sl. No:	Name of Park	Total area acquired (acres)	No. of units	Area allotted (acres)	Investment (` lakh)	Employment (Nos)
1	Kinfra Small Industries Park, Koratty, Thrissur	30	1	0.20	32	9
2	Kinfra Small industries Park, Mazhuvannur, Ernakulam.	65	1	0.3	38	8
3	Kinfra Small Industries Park, Kalpetta, Wayanad					
4	Kinfra Food Processing Park, Adoor, Pathanamthitta	50	3	0.8	247.83	67
5	Kinfra Small Industries Park, Seethangoli, Kasaragod	40	2	1.2	550	215
6	Kinfra Food Processing Park, Kakkancherry, Malappuram	60	4	4	136.04	67
	Total	30	3	1.14	198	117
		275	14	7.64	1201.87	483

Source: KINFRA, Thiruvananthapuram

7.26 The details of Food Processing units in KINFRA Parks since inception up to March 2011 are given in Appendix 7.16

New Initiatives of KINFRA in Food Processing

- Marine Park in Bepore for Seafood pre-processing activity.
- Kera Park in Thrissur for Coconut based Industries.
- Spices Park in Idukki for Spice Processing Industries.
- Integrated Food Zone (Mega Food Park) in Wayanad
- Mega Food Park in Kinaloor under the new Mega Food Park Scheme of Ministry of Food Processing Industries, Government of India.

Grand Kerala Shopping Festival (GKSF)

7.27 GKSF aims to make the State of Kerala a prominent International Shopping destination by making use of the brand image of Kerala tourism and upgrade the infrastructure of the traditional marketing centers in the State. The government organized the fifth edition of the event through Department of Tourism in association with Department of Industries and Commerce and other departments during the period from 1st December 2011 to 15th January 2012.

7.28 Department of Industries and Commerce also organized other promotional events for strengthening the marketing base of the industrial products.

Participation in National & International events 2011

• Participation in Aahar 2011, New Delhi

A Kerala Pavillion was set up by K-BIP and the leading Food Processing Units from the state exhibited their products and technologies in Aahar 2011, the International Exhibition of Food, Food Processing, Hotel & Restaurent equipments & Suppliers at Pragathi Maidan, New Delhi from March 10 to 14, 2011. The event was organized by Indian Trade Promotion Organisation (ITPO) with the support of Ministry of Food processing Industries, GOI.

• Participation in Dubai Shopping Festival

On behalf of DIC, K-BIP & KSCDC participated in the India Pavilion at Global Village in Dubai Shopping Festival held from January 28, 2011 to February 27, 2011, by setting up a Kerala State Pavilion.

General Promotional Events

• Malappuram Crafts Mela 2010

The fifth edition of the Malappuram Crafts Mela was organized by K-Bip from 16th to 30th December 2010 at Malappuram. This was organized as part of the GKSF. The Mela included 145 stalls in traditional style with live demo areas, food courts, stage decorations, for display of products and live demonstration of artisans from Kerala and other states. 100 artisans/ craftsmen from the Kerala, 179 from other states of India and 24 international artisans/craftsmen participated in the event. The major highlight was the participation of Egypt as the Partner Country for the Mela.

• Kerala Agri Food Technology Meet 2011

With a view to promote and encourage the Food Processing industries in the State, Kerala Bureau of Industrial Promotion (K-BIP) organized the third edition of Kerala Agri Food Technology Meet in Thrissur from February 24 to 27, 2011. The very objective of the event is to expose the Food Processing & Allied sectors to acquire the latest technology and technical know-how used in these sectors. The meet presented 150 stalls with 100 numbers of exhibitors all over India.

• Kerala Bamboo Fest 2010

The 7th edition of 'Kerala Bamboo Fest' was jointly organized by K-BIP and Kerala State Bamboo Mission from December 9 to 12, 2010. Artisans, craftsmen, cultural troupes from outside the State especially from the North East regions participated in the Fest. This event aimed at exhibiting the various products of the artisans/craftsmen in the Bamboo sector from all over the country.

• Beypore Fest 2010

Beypore Fest 2010 was organized by Directorate of Industries and Commerce in association with Feroke Panchayath and K-BIP during December 2010 at Feroke . Panchayath Stadium, Kozhikode with food courts and cultural programmes. Products from various sectors like Coir, Handicrafts, Handloom, Processed Food & Spices, Herbal / Ayurveda, Traditional products, Tourism, SME products, Kudumbasree products etc. were showcased.

Handloom Industry

7.29 The Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the

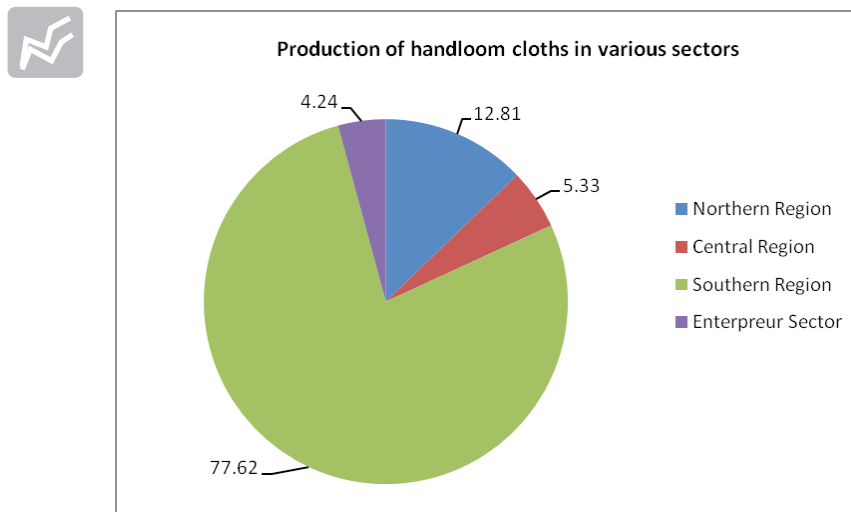
country. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST and women. The Textiles sector is the second largest provider of employment after agriculture. Thus the growth and all round development of this Industry has a direct bearing on the improvement of the economy of the nation.

7.30 Kerala's textile industry comprises traditional handloom sector, weaving and spinning sector.

7.31 The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. The Handloom Industry in the State is mainly concentrated in Thiruvananthapuram and Kannur District and in some parts of Kozhikode, Palakkad, Thrissur, Ernakulam, Kollam and Kasaragod Districts. The Industry is dominated by the Co-operative sector covering with 94% of total looms. The remaining six per cent of Handlooms units is owned by Industrial entrepreneurs. The Co-operative sector consists of factory type and cottage type societies. There were 648 registered Primary Handloom Weavers Co-operative Societies in the State on March, 2011 of which 167 are factory type and 481 are Cottage type societies. Out of 648 registered handloom weavers co-operatives 442 were in working condition as at the end of financial year 2010-11.

7.32 The major varieties produced in the handloom sector of the State are dhothis, furnishing material, bed sheets, grey saree and lungi. Details show that the production of these items contribute 67% of the total. About 77.62% of the major items are produced in the southern region followed by the North (12.81%) and Central (5.33%) regions. Of the total production, 95.76% are contributed by the co-operative sector and the balance of 4.24% is by the units in the entrepreneurial sector.

Fig. 7.4



7.33 The overall production of handloom cloth by Handloom Industry of Kerala shows an increase from 23.95 million meters in 2009-10 to 25.55 million meters in 2010-11. The total value of production shows an increase from ₹.165.33 crores in 2009-10 to ₹ 182.35 crores in 2010-11. The total number of weavers employed decreased from 57753 during 2009-10 to 50717 in 2010-11 and the mandays employment generated during these period. has increased from 95.36 lakh man days to 96.65 lakh man days. The production and productivity under handloom industry for the last two years are given in Appendix.

7.34 Promotional measures of handloom sectors such as procurement, sales and marketing of handloom fabrics are done by two state level organisations namely Hantex and Hanveev

7.35 Hantex is the apex society of handloom co-operative societies in the state. Number of PHWCS

registered under Hantex is 489. Despite grants and loans are being given to the society, the organisation is running in loss and the accumulated loss of Hantex is ₹.9450.93 lakhs during the review period. The working results of hantex are given in Appendix 7.17.

7.36 Hanveev assist handloom weavers outside the co-operative fold by providing necessary raw materials at reasonable price and making arrangements for marketing their products. This organisation is also running in losses and the net loss at the end of 2010-11 is ₹.479.86 lakhs. The working results of Hanveev are given in Appendix 7.18.

7.37 The Integrated Handloom Development Scheme is a Centrally sponsored Scheme introduced to the growing competitiveness in the textile industry both at the national and international markets and the free trade opportunities emerging in the post MFA environment. A growing need has been felt for adopting a focused yet flexible and holistic approach to the sector to facilitate handloom weavers to meet the challenges of a globalised environment. A need has also been felt to empower weavers to chart out a sustainable path for growth and diversification in line with the emerging market trends. The Integrated Handlooms Development Scheme (IHDS) is an attempt to facilitate the sustainable development of handloom weavers located in and out side identified handloom clusters in to a cohesive self managing and competitive socio - economic unit.

Development of Clusters having Loom-age 300 - 500

7.38 It is intimated that a maximum of Rs.60.00 lakh per cluster will be provided for a period of 3 years depending upon the requirement. The components of IHDS eligible for financial assistance are Baseline survey, formation of consortium, raw material support, design development etc.

7.39 Assistance for individual weavers for basic input and construction of workshed will also be provided in a cluster having loom-age of 300-500 subject to the condition that the expenditure under these components will be within 25% of the maximum project cost of ₹.60.00 lakhs per cluster.

7.40 Government of India has sanctioned 24 projects submitted by Kerala under the component viz. Cluster Development Programme of the scheme and released the 1st and IInd instalment. Out of the 24 clusters sanctioned,20 Clusters are working well,the remaining 4 were winded up.

IHDS – Development of Group Approach

7.41 Handloom Weavers who are not covered by clusters will be benefited by a Group Approach. A Group should have more than 10 weavers, which can be in the form of SHG, PWCS and other independent / individual weavers in groups. Assistance to such a group of weavers will be provided for basic inputs, skill upgradation, Construction of workshed etc. 192 groups are identified in the State for getting benefits under the Group approach for development of handlooms. 21 Groups are approved by Government of India and released the 1st and IInd instalment.

Integrated Handloom Cluster Development Scheme (IHCD)

7.42 This is a scheme to facilitate sustainable development to handloom weavers located in identified clusters into a cohesive, self managing and competitive socio-economic unit. The scheme will address the requirements of the cluster in a co-ordinated and comprehensive manner.

7.43 Of the 20 handloom clusters identified throughout the country for development under the IHCD scheme,1. One is from Kerala i.e. Thiruvananthapuram cluster. Hanveev is the implementing agency.

Textile Sector

7.44 The Textile Industry in Kerala is spread over in public sector as well as in Co-operative Sector and there exist thirteen Spinning Mills jointly in the public/ co-operative sector.

7.45 Kerala State Co-operative Textile Federation (TEXFED) have seven Co-operative Spinning Mills in its member fold. Five of them are administered by the Government and two have elected boards. Due to various reasons consequent to globalization, Spinning Industry was facing deep crisis and the Mills in Co-operative Sector slipped into the huge accumulated losses amounting to Rs. 132.52 crore. From 2006 onwards the Government interfered in the day-to-day activities of these mills and turnaround the units in a big way enforcing financial as well as technical discipline.

7.46 The main handicaps faced by the Mills were the lack of working capital and availability of raw materials. The Government through a centralized purchase system interfered in this area and pumped Rs. 7 crore and is now procuring cotton for the entire textile sector through professionally constituted committee comprising of RIAB, TEXFED and KSTC. Also the sale of Yarn carried out through depot system is being monitored by the same committee. Due to this raw material cost was brought down heavily and sufficient savings in this area accelerated revenue and turnover.

7.47 Majority of textile spinning mills in the state have a life span of 25 years. Though partial modernization has been done in certain units, it was not at par with the industry standards. Government constituted an Expert Committee to study the crisis prevailing in the mills due to obsolete technology and the Committee recommended for modernization of five Co-operative Spinning Mills in the State. Government approved the modernization of these Spinning Mills with a total outlay of Rs. 120.00 crore and provided Rs. 3.00 crore in the budget for the year 2009-10. The revival packages of Malappuram Co-operative Spinning Mills and the Cannanore Co-operative Spinning Mills recommended by Government has been approved by NCDC. The Malappuram Co-operative Spinning Mills has a project cost of Rs. 13.40 crore and the Cannanore Co-operative Spinning Mills has a project cost of Rs. 13.00 crore. In the budget for the year 2010-11, Rs. 8.37 crore has been provided for these projects as Government contribution and promoters equity.

7.48 Heavy bank loans outstanding against these Mills were settled by alienating excess land to the concerned banks thereby reducing the negative net worth of the units. The Alleppey Co-operative Spinning Mills by this deal gained an additional income of ₹. 4.00 crore and with this and with some internal generation the capacity of the Mills has been doubled to 12000 spindles. This project has an outlay of ₹. 6.53 crore. By the end of 2010-11, the Co-operative Spinning Mills in the State will bag net profit.

7.49 The Co-operative Spinning Mills in the State were formed with a social objective to provide raw material support to the traditional handloom sector in Kerala. But from 1999 onwards due to various reasons this has been stopped. The Government took up the issue seriously and to have an integrated approach for the industry decided to establish three hank yarn production centres in the State. Now Cannanore Co-operative Spinning mills, Alleppey Co-operative Spinning Mills and the Trichur Co-operative Spinning Mills have hank yarn production centres established with an outlay of ₹. 2.00 crore each. This amount has been provided in the State budget for the year 2008-09, 2009-10 and 2010-11.

Powerloom

7.50 Kerala consumes cloth to the tune of Rs. 2000 crores every year. The four integrated power loom co-operative societies in the state at Calicut, Wayanad, Neyyattinkara and Kottayam have been accelerated by providing budgetary support.

7.51 The Calicut Integrated Power loom Co-operative Society Ltd., has been converted as a textile park comprising all the segments of a composite mill i.e., weaving, processing and garment making. Here semi automatic power looms, automatic looms and highly sophisticated machines are working. The value added products manufactured from these units is being exported through merchant vendors to Europe and other parts of the world. They manufacture terry towels, high quality home furnishings, shirts, dothies, blazers etc. for domestic as well as export market.

7.52 A modern processing unit to process yarn for both handloom and power loom with modern facilities is functioning in this project. A garment making unit with state of art technology and professionally trained manpower is also working in this project.

7.53 Wayanad, the most remotest district in Kerala which is lacking industrial initiatives has been looked into and a rehabilitation cum industrial project is functioning. As part of it, a handloom production centre has been started in Thirunelli for tribal women folk and training for the first batch has been completed and for another batch is ongoing. This will be converted as an employment generating centre in handloom for adivasi women. Integrated Power loom Co-operative Societies in Neyyattinkara and Kottayam has also been activated and are in the process of production of grey cloth and some conversion orders for export market. The sizing unit functioning at Kottayam is activated as a common facility centre for all the integrated power loom Co-operative societies in the state.

7.54 To market the products manufactured by the above power loom Co-operatives, Textfed setting up a marketing and distributing system by spending Rs. 90.00 lakhs by establishing a high tech show room in Kozhikode.

Handicrafts

7.55 Kerala State Handicrafts Apex Co-operative Society (SURABHI), Handicrafts Development Corporation and Artisans Development Corporation (KADCO) are the major promotional agencies in the handicraft industry. SURABHI is the apex organization of primary handicrafts co-operatives established with a view to uplift the artisans by marketing the product produced by the primary co-operatives and implementing welfare schemes with the assistance from State and Central Governments. During 2010-11, the Society procured handicrafts worth ₹ 168.26 lakh, achieved sales of ₹ 271.69 lakh and the sustained loss was ₹ 49.94 lakh. The overall performance of the Society during the review period shows a slightly increasing trend by registering an increase of 16.24% in procurement and 9.08% in sales compared to the previous year. In order to popularize Kerala crafts the society conducted 10 exhibitions during 2010-11.

7.56 Handicrafts Development Corporation of Kerala was established in 1968. It is engaged in procuring and marketing handicraft products by giving fair returns to artisans through its Kairali emporia spread all over India. At present it is having a net work of 19 such sales emporia. The sales turnover of the Corporation rose to ₹ 1489.24 lakh in 2010-11 from ₹ 1253 lakh in the previous year, making



18.85% profit of ₹ 236.24 lakh. The Corporation is one of the State channelizing agencies of National Backward Classes Finance and Development Corporation (NBCFDC). The Corporation provides loans to OBC groups of artisans / member of artisans family below double the poverty line for starting small business, carpentry, blacksmith, weaving, grocery shops, pottery, tailoring, jewellery making etc. The Corporation has implemented various new projects such as Showroom at International Airport, Thiruvananthapuram, Show room cum design centre at CFSC, Attakulangara, and renovation of Emporium at Chennai and SMSM Institute Thiruvananthapuram during 2010-11. The Corporation had purchased a 3D Pantograph wood carving Machine at CFSC, Attakulangara.

7.57 The Kerala Artisans Development Corporation (KADCO) was established in 1981. It is one of the State agencies to provide assistance to artisans for establishing production units, promoting marketing of products and providing employment opportunities through schemes of trade fairs and marketing centres. The sales turnover of the Corporation during 2010-11 was ₹ 810.14 lakh as against of ₹ 745.35 lakh in 2009-10. The sales turnover has increased by 8.69 percent and the operating loss was ₹ 24.37 lakh in the period. KADCO has also been nominated as one of the State channelizing agencies for the implementation of schemes announced by the National Backward Classes Finance and Development Corporation (NBCFDC).

Bamboo Industry

7.58 Kerala State Bamboo Corporation was set up in 1971. The main objective of the Corporation is to develop and promote industries based on bamboo, reed, cane and rattan and to undertake manufacture and trading of the above products, provide financial, technical and other such assistance, guidance to the bamboo workers. Collection of good quality reeds from Government forest, distributes the reeds to the registered bamboo mat weavers of the Corporation on credit basis and to procure woven mats are the major activities of the Corporation.

7.59 As part of diversification, Corporation has initiated an innovative project viz. Bamboo Flooring Tiles Project with the financial support of Central and State Governments. During 2010-11, the total sales turnover of the Corporation was ₹1526.52 lakh against ₹ 1499.66 lakh in 2009-10 including ₹ 1123.18 lakh towards sale of bamboo ply and ₹ 253.54 lakh through bamboo mats. The accumulated loss of the Corporation during 2010-11 has rose to ₹ 1465.84 lakh from ₹ 999.87 lakh in 2009-10. The Corporation produced Bamboo ply worth ₹ 941.55 lakh during the review period.

7.60 The Kerala State Bamboo Mission was constituted in 2003 with the broad aim of marshalling the scattered resources of the State adopting a focused approach to revitalize the Bamboo Sector thereby promoting value addition, enhancing income generation and alleviating poverty. The mission supported the skill Upgradation training programme to 30 numbers of tribal youth for 30 days at Attapadi, Palakkad.

Coir Industry

7.61 The Coir Industry is the largest agro based Traditional & Cottage industry in Kerala and concentrated mainly in the rural areas. It provides livelihood to nearly 3.50 lakh people, out of which women constitutes 76 per cent. The industry consists of three sub sector, namely, fibre extraction, spinning and weaving sections. Co-operative Sector dominates the Coir Industry in Kerala. Coir yarn producers, product manufactures, public sector undertakings, exporters, and workers are the other major stake holders of the Coir industry.

7.62 India produce significant share of coir to the world market. Among the states in India, Kerala is the largest producer of coconuts contributing to 45% of the total production but only a meager portion of husk is being used for producing coir fibre. Even after a number of initiatives taken by the Government for the betterment of the sector, it remains as a sick traditional industry struggling for its survival due to the competition with similar products of natural as well as synthetic origin both in the domestic and export markets.



7.63 Coir, which is environment friendly, is an important product in the industrial, construction and household sectors. This strongest natural fibre, continues to struggle at the low end of the commodity market primarily due to poor value addition, diversification, technological refinement and inadequate policy intervention. Appropriate mechanization in all areas of processing viz. defibering, spinning, weaving, etc. has to be brought in to improve productivity and reduced drudgery.

7.64 Government of Kerala has laid emphasis for developing this industry by increased utilization of coconut husk for production of coir fibre, market intervention through branding techniques, strengthening of R & D facilities to find innovative uses of coir and acquiring new technologies, encouragement to co-operativisation and providing social welfare, civic amenities and medical facilities to workers. Modernization is encouraged through incentives to make the coir industry more competitive. During 2010-11, the State Govt. has provided financial assistance to the tune of ₹ 102.95 crore under plan.

7.65 The major scheme during the period under review was the Regulated Mechanization of Coir Industry. Under this scheme as many as 66.73 lakh husk has procured by spending an amount of ₹ 76.02 lakh, purchased 14181.53 tonnes of fibre at a cost of ₹ 1309.52 lakh and produced 13281.61 tonnes of yarn worth ₹ 3075.01 lakh during 2010-11 through coir cooperative societies. An amount of ₹ 166.09 lakh was sanctioned to 16 Defibering Mills for its revival, distributed 93 Mini DF Machines costing ₹ 92.25 lakh, 192 Mini DF Machines were modified at the cost of ₹ 47.08 lakh, ₹ 500 lakh was released for setting up of 5 DF Mills and established a Bio Organic Manure Manufacturing unit at Vayalar costing ₹ 14.75 lakh and released an amount of ₹ 52.31 lakh as State share for Cluster Development Programme, ₹ 709 lakh as thrift/share/gratuity to about 40000 workers of 500 Co-operative Societies, ₹ 200 lakh as marketing incentive to 160 Societies, ₹ 32.20 lakh under Special Investment Subsidy to six units, ₹ 519.99 lakh as Marketing Development Assistance, ₹ 25.92 lakh as Government Share Participation to 18 coir cooperatives. Also provided welfare activities such as pension to 58000 Coir workers, disbursed ₹ 72.40 lakh to 35 coir cooperatives and ₹ 59.30 lakh to 376 Small Scale Producers as debt relief, and lump sum amount as one time retirement benefit to the Coir workers @ Rs.500/- per year of service completed. For propagation & expansion of domestic and export market of Coir products and other traditional industries, conducted Coir Kerala-2011 – ‘an International event on Coir and Natural Fibre Products’ at Alappuzha, in which buyers of 19 countries participated apart

from those within India. Besides, five Coir fests at Alappuzha, Ambalappuzha, Mararikulam, Vayalar and Kozhikode were also conducted.

7.66 The Kerala State Coir Cooperative Marketing Federation (COIRFED) is an apex federation of primary coir co-operative societies with an objective to procure the entire products of the member societies and marketing the same throughout the country and thereby providing fair wages and subsistence to the coir workers. It is a non profit organization in the coir co-operative sector. It has bifurcated into coir yarn and coir product divisions and has six defibering units also. COIRFED reported a net profit of ₹ 22.97 lakh in the financial year 2010-11 against ₹ 14.41 lakh during the previous year, registering 59.4 per cent increase. Total income during the period rose by 28.5 per cent, i.e to ₹ 3173.98 lakh from ₹ 2469.84 lakh over to the same period and won four awards for excellence in the coir industry instituted by MS&ME Ministry, Government of India. Now the COIRFED has 841 members of which 499 Coir Co-operative Societies are working, 155 Co-operative Societies are under liquidation, 163 societies are dormant and 24 societies have not yet started working.

7.67 Kerala State Coir Corporation (KSCC) and Foam Mattings (India) Ltd. (Fomil) are the two Public Sector Undertakings in the coir sector. During 2010-11, the annual sales turnover of KSCC Ltd was ₹ 7756 lakh and made a net profit of ₹ 176.12 lakh. Meanwhile, the annual sales turnover of the FOMIL was ₹ 810.43 lakh and made a loss of ₹ 104.58 lakh as against a profit of ₹ 12.22 lakh during 2009-10. The details of various types of coir co-operative societies, their activities and district wise details of co-operative societies are shown in Appendices 7.19,7.20 & 7.21

7.68 The export of coir and coir products from India during the year 2010-11 was 321016.02 MT valued at ₹ 807.07 crore as against the export of 294508.05 MT valued at ₹ 804.05 crore in 2009-10. This recorded an increase of 9 % in quantity and a marginal increase of 0.4 % in terms of value over the export achieved during 2009-10. Among the items of export from India, coir fibre, coir rugs & carpets curled coir & coir pith have shown an increase both in terms of quantity and value when compared to the previous year. The items such as handloom mats, tufted mat handloom mattings, coir geo-textile, coir rope, and rubberized coir have shown a decrease both in terms of quantity and value over to the previous year.. The items coir yarn and coir other sorts have shown an increase in value even though the quantity have decreased. USA continues the largest importer of coir and coir products from India followed by Netherland, U.K, Germany, Italy, Spain etc. Item wise export of coir and coir products from India during and 2008-09 and 2009-10 are shown in Appendix 7.22

7.69 The National Coir Research & Management Institute (NCRMI), the State Government Organization is looking after the research and development of Coir Sector, acting as a nodal agency for coordinating the technological, commercial and academic developments in the entire gamut of activities related to the coir sector in Kerala.

Khadi and Village Industries

7.70 Khadi and Village Industries Board (KVIB) is the statutory body vested with the responsibility of organizing, developing and promoting Khadi and Village Industries in the State. It carries out its activities through co-operative societies, registered institutions and departmental units by availing financial assistance from State Government, Khadi Commission and Nationalized Banks.

7.71 The Board received an amount of ₹ 933 lakh under plan and ₹ 2593 lakh under non plan of which ₹1075 lakh was towards special rebate on retail sale of Khadi during 2010-11. In addition to this, an amount of ₹ 1000 lakh was received under plan from the State Government towards Income Support Scheme. Khadi and Village Industries Commission also released an amount of ₹ 987.86 lakh as grant to the Board for its various programmes. Out of the total amount received, the Khadi Board expended almost all amount of ₹ 5513.62 lakh which constitutes 99.99 per cent of the amount received for the year 2010-11. The major schemes implemented during the period under review were the following.

• Prime Minister's Employment Generation Programme (PMEGP)

During the period under review, the board disbursed margin money grant of ₹ 968.86 lakh to 462 projects and generated employment opportunities to 3312 persons over to the target of ₹ 805.85 lakh to 575 projects with employment opportunities to 5750 persons respectively. In the first half of 2010-11 (up to 30.09.11) an amount of ₹ 524.90 lakh has been disbursed as margin money grant to 226 projects creating 1694 employment opportunities as against the annual target of margin money grant of ₹ 763.40 lakh to 545 projects and it is expected to generate 5450 employment opportunities.

• Special Employment Generation Programme

Under Special Employment Generation Programme, as many as 567 units were set up each in every Grama Panchayat with the total cost of ₹ 254.23 lakh and disbursed an amount of ₹ 83.59 lakh towards subsidy and created 1055 employment opportunities.

7.72 During 2010-11 the Khadi Board disbursed an amount of ₹ 219.15 lakh as production incentive to 9909 Khadi workers and under income support scheme disbursed the entire amount of ₹ 10 crore to 10927 artisans in Khadi sector for supplementing their low income. Apart this, constructed 4 worksheds and 3 boiling sheds, renovated a hand made paper unit at Elanthur in Pathanamthitta, revitalised 10 departmental khadi production centres, 5 khadi co-operative societies and charitable institutions, installed 100 new charkhas and looms, repaired 50 nos. of charkhas and 10 nos. of looms, etc.

7.73 In addition to this, 2 Khadi Grama Soubhagyas and a Project Godown were renovated, and computerized 4 districts offices and 2 Project Godowns, supplied 2.66 lakh file boards to the Stationery Department. Through the aided Village Industries units Khadi Board produced goods worth ₹ 537.62 crore and sold goods worth ₹ 587.52 crore by providing employment to 171464 persons against goods produced worth ₹ 552.06 crore, sold goods worth ₹ 606.68 crore and provided employment to 183182 persons over the same period in the previous year. The Board has 215 sales outlets for Khadi and village industries goods (45 Khadi Grama Soubhagya, 44 Khadi Soubhagya, 123 Grama Soubhagya and 3 Mobile Sales Vans) and sold goods through these outlets worth ₹ 2733.49 lakh.

7.74 During the period under review, the Khadi Board could produce goods worth ₹ 15258.62 lakh and sold goods for ₹ 17455.01 lakh by providing employment to 133367 persons while at the previous year it was ₹ 16036.95 lakh, ₹ 17727.41 lakh and to 141433 persons respectively. It shows decrease trend in production, sales and employment, while, wages paid was increased from ₹ 8119.24 lakh to ₹ 8523.09 lakh. The details of value of production, sales, employment and wages paid and district wise annual sales for the year 2010-11 are given in Appendixes 7.23 and 7.24. The Board has also conducted publicity, Onam Melas, Silk Fest under Grand Kerala Shopping Festival – 2011, District level Awareness Camp and Exhibitions under PMEGP scheme. As part of popularizing Khadi/Handlooms cloth and clothes, the State Government has exhorted citizens to wear it in schools and offices once in a week.

Cashew Industry

7.75 Cashew is an important commercial horticulture crop of India. The overall production of raw cashew nuts in India during 2010-11 was estimated at 653000 MT as against the estimated production of 613000 MT in 2009-10, showed an increase of 6.53 percent. The important cashew growing states in India are Kerala, Karnataka, Goa, Maharashtra, Tamil Nadu, Andhra Pradesh, Orissa and West Bengal. Maharashtra is the top among the states with high production and productivity (31.85%). Kerala has a long tradition both in cashew cultivation and cashew nut processing. Though the production of raw cashew nuts in Kerala shows an upward trend, during 2010-11 it has increased from 66000 MT in 2009-10 to 71000 MT. An estimate of domestic production of raw cashew nuts in various states during 2010-11 is given in Table 7.8 and Fig 7.5

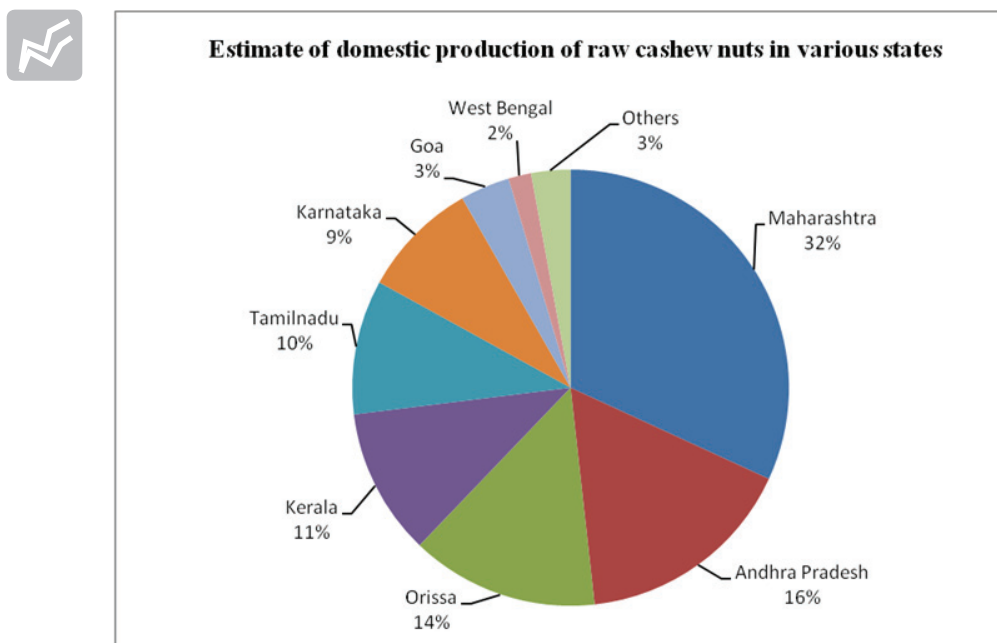


Table 7.8
Estimate of domestic production of raw cashew nuts in various states

States	2010-2011		
	Area (hectares)	Production (MT)	Share of Production (%)
Maharashtra	181000	208000	32
Andhra Pradesh	183000	107000	16
Orissa	149000	91000	14
Kerala	78000	71000	11
Tamilnadu	135000	65000	10
Karnataka	119000	57000	9
Goa	56000	24000	4
West Bengal	11000	11000	2
Others	33000	19000	3
Total	945000	653000	100

Source: Directorate of Cashewnut and Cocoa Development, Cochin

Fig.7.5

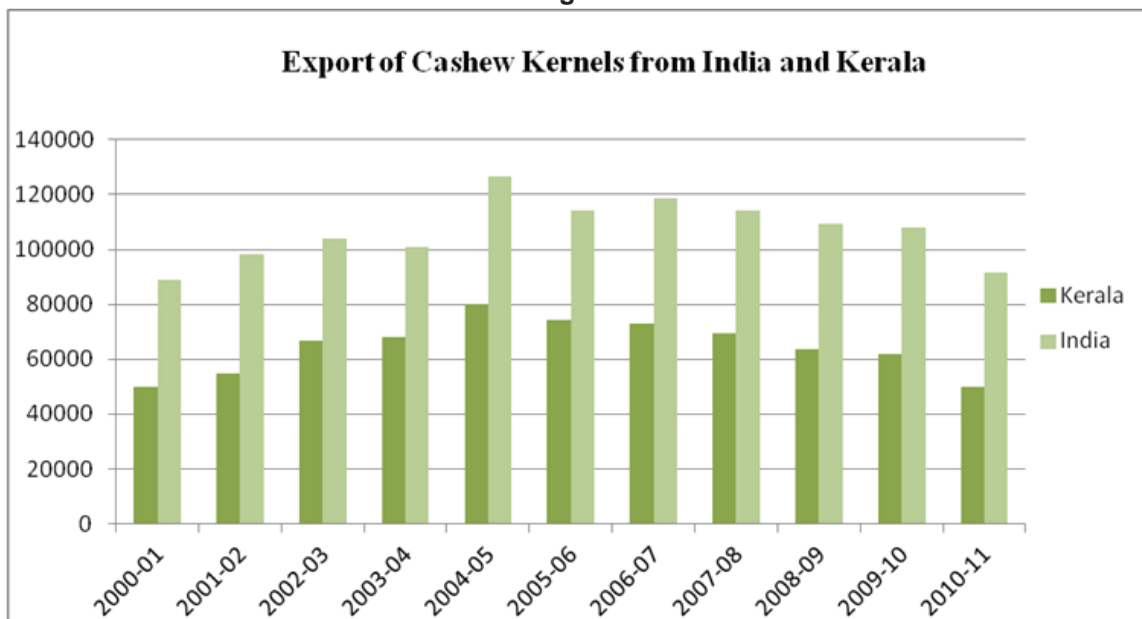


7.76 The total export of Cashew Kernels from India during 2010-11 was 91559 MT, valued at ₹ 2598.15 crore which registered a heavy decline of 15.32 percent in quantity and 10.59 percent in value as compared to the previous year. Similarly, the total export of cashew kernels from Kerala during 2010-11 was 49692 MT valued at ₹ 1417.28 crore. It showed a decreasing trend of 3.2 percent in quantity and 4.7 percent in value. Nearly 54 percent of total exports of India is from Kerala. The details of export of cashew kernels from Kerala and India from 2000-01 to 2010-11 are given in Table 7.9 and Fig 7.6

Table 7.9
Export of Cashew Kernels from Kerala and India from 2000-01 to 2010-11
 (Quantity: MT, Value: ` Crore)

Year	Kerala*		India		Share of Kerala	
	(per cent)	Value	Quantity	Value	Quantity	Value
2000-01	49874	1152	89155	2050	56	56
2001-02	54717	971	98203	1789	56	54
2002-03	66859	1217	104137	1933	64	63
2003-04	68119	1205	100828	1804	68	67
2004-05	79950	1716	126667	2709	63	63
2005-06	74376	1623	114143	2515	65	65
2006-07	72861	1505	118540	2455	61	61
2007-08	69298	1395	114340	2289	61	61
2008-09	63729	1716.52	109522	2988	58	57
2009-10	61698	1635.79	108120	2905.82	57	56
2010-11	49692	1417.28	91559	2598.15	54	55

Fig 7.6



7.77 Import of raw cashew nuts to India during 2010-11 was 504138 MT while it was 752854 MT during 2009-10. Including the export of Cashew nut shell liquid, the net foreign exchange earnings of India from this industry during 2010-11 was ₹.150.25 Crore while it was a loss of ₹.107.41 in the previous year. Foreign exchange earning of Indian cashew industry and import of raw cashewnuts are given in Appendix 7.25 and 7.26

7.78 The Kerala State Cashew Development Corporation (KSCDC) and Kerala State Cashew Workers Apex Co-operative Society (CAPEX) are the two agencies of the State engaged in cashew processing sector in Kerala. The KSCDC has 30 factories spread out in the districts of Thiruvananthapuram, Kollam, Alappuzha, Thrissur and Kannur. There are about 18000 workers and majority of them are women. The main activities of the Corporation consists of processing of raw cashew nuts into kernels and marketing cashew kernels and value added products like cashew soup, cashew vita, cashew bitz and cashew powder. During 2010-11, the Corporation could provide employment for 282 days as against 284 days in 2009-10. Total sales turnover of the Corporation increased from ₹ 17855.04 lakh in 2009-10 to ₹ 21259.54 lakh in 2010-11, showed 19.07 percent growth. In the current year (2011-12), Corporation could provide employment for 140 days up to 30.09.2011. The performance of KSCDC by the last 5 years is given in Table 7.10

Table 7.10
Performance of Kerala State Cashew Development Corporation




Period	working days in factories	Turnover	Share of Production (%)
2005-06	230	9100.89	3968.17
2006-07	195	6381.84	1205.83
2007-08	165	6117.55	909.67
2008-09	209	12665.46	563.49
2009-10	284	17855.04	85.53
2010-11	282	21259.54	245.45

Source: KSCDC

7.79 CAPEX with headquarters in Kollam, is the apex body of cashew workers primary societies engaged in the procurement of raw cashew nuts and marketing the processed kernels. The Society owns 10 factories. There are about 6300 workers. The society could provide employment for 257 days in 2010-11. The total sales turnover of the CAPEX increased from ₹ 4822.77 lakh in 2009-10 to ₹ 4875.55 lakh in 2010-11, recording only 1 percent of growth. The performance of CAPEX by the last 5 years is given in Table 7.11.

Table 7.11
Performance of CAPEX



Period	working days in factories	Turnover	Share of Production (%)
2005-06	151	1748.49	550.34
2006-07	152	1599.15	615.56
2007-08	96	1158.01	417.79
2008-09	210	3671.86	490.73
2009-10	214	4822.77	156.92
2010-11*	257	4875.55	168.28

Source: CAPEX *provisional.

7.80 During 2010-11, the Kerala State Agency for the Expansion of Cashew Cultivation (KSACC) procured 17,38,887 cashew grafts of high yielding varieties and in June the cashew plants and financial assistance were distributed to farmers and institutions in the State. The agency could achieve an area of 8694 hectares under cashew. Assistance was given for promoting organic cultivation and establishing apple processing units.

7.81 KSACC organized a 'Kasumavu Karshaka Sangamom- 2011' involving cashew farmers from all districts of Kerala, in addition to training programmes. KSACC has given financial support to three ongoing research projects for arriving solutions for major constraints faced by the cashew industry & cultivation; Bio-control of Tea mosquitoes, Standardisation of processing of bio-ethanol from Cashew Apples and Standardisation of Cashew cultivation techniques in lateritic areas of Kasargod & other districts.

7.82 In the last three years KSACC could achieve cashew cultivation in 12735 ha by promoting about 80,000 farmers and other institutions. Under the mega project 'Sustainable Production of Cashew Nuts in Kerala' the National Horticulture Mission (NHM) released ₹ 971.754 lakh during 2010-11.

Beedi Industry

7.83 Beedi Industry in Kerala is concentrated in Kozhikkode, Kannur and Kasargod. The Kerala Dinesh Beedi Workers Central Co-operative Society Ltd. was the only agency in the State to promote beedi industry in the organized sector. During the period under review, the society concentrated on the upliftment of units for the diversified products for the rehabilitation of about 7000 beedi workers under the society. The society distributed ₹ 466.03 lakh as Relief Pension to beedi workers and ₹ 600.00 lakh as gratuity to the workers who retired from service from the year 2006-07 to 30.09.2009.

7.84 As part of product diversification programme, the Society started a Dinesh Garment unit, Dinesh Umbrella unit and Dinesh Foods. Dinesh Garment unit, Thana, Kannur provided employment to 150 workers. During 2010-11, the profit of the unit was ₹ 57.58 lakh and the sales turnover was ₹ 6.52 lakh. Two more units of Dinesh Garment at Chala, Kannur and Cheruvathur, Kasargod which will provide employment to 250 workers were initiated functioning with training to workers and the development activities of Dinesh Cocunut milk unit is also started.

Small Industries Development Bank of India (SIDBI)

7.85 Small Industries Development Bank of India (SIDBI) is the principal financial institution for the promotion, financing and development of MSME industries. It also acts as the nodal agency for the scheme sponsored by Government of India in this regard. It also extends indirect financial assistance by way of refinance facilities to primary lending institutions viz., KFC, KSIDC and Commercial Banks against their loans granted to small scale units.

7.86 SIDBI, Kochi sanctioned ₹ 1405.06 crore and disbursed ₹ 768.25 crore as assistance to various schemes / programmes during 2010-11 under small scale sector including service sector in the State. The corresponding figure during 2009-10 was ₹.397.17 crores and ₹ 342.58 crore. Details are given in Appendix 7.27.

Industrial Development Plots / Areas

7.87 Directorate of Industries and Commerce (DIC) has also promoted investment by providing and developing infrastructure facilities for small scale sector in the State. At present there are 37 DPs/DAs under DIC having a total acquired area of 2457.71 acres and allottable area of 2169.69 acres. Besides, one DP is transferred to KSIDC and another one to KINFRA. In addition to the above, 143.14 acres of land in Kanjicode West and the land under DP, Unnikulam have been allotted for the proposed Railway Coach Factory. Out of the total area, 1976.33 acre is allotted to 2590 industrial units and 1902 number of units is working as on 31.3.11. Details are given in Appendix 7.28.

7.88 The total number of Mini Industrial Estates under DIC as on 31.03.11 is 85 and the total number of SSI units established in these estates is 773. Out of the total number of 960 sheds, 834 sheds were allotted to 676 working units. The total number of employees under these units is 3049. The district wise details of industrial estates, number of employees etc., are given in Appendix 7.29

Kerala Small Industries Development Corporation (SIDCO)

7.89 Kerala Small Industries Development Corporation was established for strengthening the Small Scale Sectors in the State. It provides infrastructure facilities such as land, work shed, water, distribution of scarce raw materials, marketing the products etc. by setting up of industrial estates, mini industrial estates and industrial parks. Execution of construction works for Industries department and public sector undertakings are the other activities of SIDCO. There are 17 major industrial estates and nearly 7.94 units are working in these estates. These working units provided nearly 6350 employment opportunities. Besides, there are 36 mini industrial estates under SIDCO as on 31.03.11 and the total number of sheds is 421. Out of 316 units sanctioned in these estates, 255 are working and 63 units closed. The turnover during 2010-11 was ₹ 127.00 crore. Details of Industrial estates and mini industrial estates under SIDCO are given in Appendix 7.30, 7.31 and 7.32.

MSME Development Institute (formerly Small Industries Service Institute - SISI)

7.90 MSMED Institute provides technical, managerial consultancy services besides attending to revival of small scale sick units in all the districts of Kerala and the Union Territory of Lakshadweep. The prime motto of MSMED Institute is to provide timely and adequate techno-economic and managerial assistance to prospective and existing entrepreneurs. It also acts as a technology resource centre, training centre, service provider of industry, implementing agency of MSME schemes and assistance of Government of India. The Nucleus Cell of the Institute is also functioning at Cochin for the promotion and development of small scale units in Lakshadweep Islands. Fruit and Vegetable Preservation Training Centre imparts training to the prospective entrepreneurs and also aims at upgrading the skill of the entrepreneurs in this line.

7. 91 The thrust area of Institute's activity during 2010-11 has been the development of industries through the time tested cluster development model. The institute has conducted tailor made programme of entrepreneurship, such as 49 motivation campaigns, 4 Business Skill Development Programmes (BSDP), 8 Entrepreneurship Development Programmes (EDP), 46 Entrepreneurship Skill Development Programmes(ESDP), 8 Management Development Programmes(MDP), 15 Special Skill Development Courses, Educational Seminars and other awareness programmes during 2010-11. 197 units benefited through the services of these programmes. The institute has been providing technical consultancy to the units for acquiring ISO 9000/14000 scheme and also providing reimbursement to the extent of 75 percent of the expenses incurred by the units under the scheme. Details are given in Appendix 7.33.

Box No.7.4

Special Programmes of MSME-DI, Kerala

- One day workshop on WTO on 3rd December 2010 at Thrissur.
- National level Vendor Development Programme on March 2011 at Kozhikode.
- National Award for MSME- Special recognition Award.
- 2 days Training programme on Export Packaging on October 2010 at Thrissur
- Awareness/Sensitisation Programmes on Barcode on 14 December 2010 at Kozhikode and on 14 January at Kollam.
- Awareness/Sensitisation Programme on LLP Act in 8 districts during 2010-11.

Cluster Development

7.92 The Kerala Bureau of Industrial Promotion (K-BIP) is coordinating the Cluster Development Directorate of Industries and Commerce. It coordinates the implementation of setting up of Common Facility Centers (CFCs) in clusters as per MSME EDP scheme of Government of India. Government of India has released financial assistance of ₹ 633.07 lakh for 2 clusters with a total cost of ₹ 952.30 lakh of which Government of Kerala share is ₹ 208.50 lakh and the work for establishment of CFC is in the final stage. Further, for setting up of CFC's in 4 clusters, an amount of ₹ 979.90 lakh has been sanctioned by Government of India with a total cost of ₹ 1507.87 lakh of which Government of Kerala share is ₹ 300.43 lakh. The National Centre for Hazard Analysis Critical Control Point (HACCP) Certification in association with K-BIP has initiated the process of auditing and certification of 39 food processing and allied units from the State and outside the State. Out of this, NCHC has successfully audited and certified 24 food processing units and the remaining is under progress.

Industrial Financing

7.93 Kerala Financial Corporation (KFC) is one of the oldest Industrial Financing Agencies in the State and it has been providing finance to a large number of projects and enterprises. The Corporation has sanctioned 742 projects during 2010-11 at a total cost of ₹. 50302.76 lakh. This includes 264 SSI units costing ₹. 11486.18 lakh. Details are given in Appendix 7.34. District wise details of disbursement of loan by KFC during 2010-11 are given in Appendix 7.35. As on 31.3.2011, total amount sanctioned by KFC is ₹. 469358.58 lakh and the total amount disbursed is ₹. 370474.51 lakh. The industry-wise classification of loan sanctioned and disbursed by KFC are given in Appendix 7.36 and 7.37.

Kerala State Industrial Development Corporation (KSIDC)

7.94 Kerala State Industrial Development Corporation (KSIDC) is a Government agency for industrial and investment promotion in Kerala. Established in 1961 with the objective of promoting, stimulating, financing and facilitating the development of large and medium scale industries in Kerala, KSIDC acts

as a promotional agency involved in catalyzing the development of infrastructure required for constant growth of industry in the State. It offers professional guidance and support for potential investors through a comprehensive set of services that include developing business ideas, identifying viable projects, providing financial assistance, guidance and assistance for implementation. KSIDC has a proven track record of attracting a commendable volume of investment to the State.

7.95 During the year 2010-11. KSIDC had assisted 34 projects with an investment of Rs. 700.94 crore. The projects can provide employment to 2831 persons. Out of the 34 units assisted by KSIDC, 8 are in public sector and 26 are in private sector. The project cost in public sector amounts to ₹. 151.09 crore and private sector ₹. 549.85 crore. The district – wise details of units assisted by KSIDC with investment and employment are given in Appendix 7.38 and 7.39.

7.96 The total disbursement during the year 2010-11 by KSIDC was Rs. 86 crore. The corporations total recovery of principal and interest on loans from its assisted units amounted to Rs. 63 crore during 2010-11. The operating profit of the Corporation for 2010-11 was ₹. 28 crore. The details are given in Appendix 7.40.

7.97 During the year 2010-11 KSIDC initiated various new major Industrial and infrastructure projects which are strategically important to Kerala's industrial and economic development. The cumulative investments in these projects are expected to be over ₹. 100,000 crore which will contribute immensely to the economic growth of the state. The high speed rail corridor connecting North to south of the state, for example,, is expected to provide a major fillip to the development of industry and commerce in the State, besides providing a new dimension to transportation infrastructure to the common man. The project is envisaged to mobilize an investment of ₹. 75,000 crores.

7.98 The other projects promoted by KSIDC, which will contribute to the industrial advancement of the state, include the Kochi- Coimbatore Industrial Corridor, 1,200 MW Gas based Thermal Power Project at Cheemeni, Kasaragode, Electronic Hardware Park at Kochi, a world class manufacturing and R & D facility for Electronic sector. A Life Sciences Park for setting up state of the art manufacturing and R& D facility for Biotechnology, Nanotechnology, Contract Research etc., City Gas Distribution Project for supplying compressed natural gas for automobile and piped natural gas for domestic use, Oceanarium, an underwater Aquarium & Marine Research Centre and a Titanium Sponge plant etc. are some of the other major projects promoted by the Corporation. NIRDESH, The National Institute for Research and Development in Defence Ship building, a composite R & D facility for ship building, ancillarization, equipment design etc is being set up by the Ministry of Defence, Government of India at Beypore with the support of KSIDC.

7.99 The Corporation has also developed the basic infrastructure facilities in its industrial growth centres in Kannur, Kozhikode and Alappuzha districts. Infrastructure amenities such as water, power, approach roads and communication facilities have been created by KSIDC in these parks. The various projects coming up in these parks include Apparel park, Rubber processing units, Footwear Park, Food Processing Park and many other innovative projects

7.100 KSIDC is also initiating new activities like Skill Training & Entrepreneurship Program – STEP Mission to make Kerala a hub of Vocational and entrepreneurial skills, Development by developing a pool of Trainers, Training institutions and Agencies, enhancing employability and entrepreneurial capabilities of the youth in order to have better economic employment opportunities, leading to sustainable Economic Growth and Development.

Kerala Industrial Infrastructure Development Corporation (KINFRA)

7.101 Kerala Industrial Infrastructure Development Corporation (KINFRA) was set up by an Act of the State Legislature in February 1993, aiming at accelerating the industrial development of the State by providing infrastructure facilities to industries. KINFRA's thrust has been to facilitate the development of industrial infrastructure in the State.

7.102 KINFRA has been focusing on industrial infrastructure development, specifically aimed at the economic development of the industrially backward regions of the State, by setting up Industrial Parks/ Townships/Zones etc., which provide all the facilities required for the entrepreneurs to start an industry.

7.103 The Industrial Parks developed by KINFRA have facilities like developed land or built up space, dedicated power continuous water supply, communication facilities etc., in addition to supporting social infrastructure facilities like administrative block, bank, post office, round the clock security etc., thus providing a ready-made manufacturing environment for easy start up of industrial units with minimum time and cost.

7.104 Over the past 17 years, KINFRA has successfully completed 14 theme based Industrial Parks in Kerala in areas such as garments, Infotainment, marine/seafood, rubber, exports, food processing etc.,.Some of the notable achievements, are the successful completion of India's first International Apparel Park at Trivandrum India's first Export Promotion Industrial Park at Ernakulam, : India's first Infotainment Park, the Film & Video Park, at Trivandrum and India's first Food Processing Industrial park at Malappuram.

7.105 A Joint Venture Company between KINFRA and ICICI, known as I-KIN, has been formed to identify and facilitate the development of infrastructure projects in the State, and another between KINFRA and NTPC Electrical Supply Co. Ltd. (KINESCO) for distribution of power within KINFRA Parks in the State.

7.106. KINFRA has developed Small Industries Parks at Trivandrum, Ernakulam, Thrissur, Wayanad, Kannur, Pathanamthitta and Kasaragod Ministry of Food Processing Industries, Government of India and Department of Commerce and Industries, Government of India, has appointed KINFRA as the nodal agency of the State for implementing "Assistance to States for Infrastructure Development of Exports and Allied Activities " (ASIDE) . Government of Kerala has also appointed KINFRA as the Nodal Agency for the Kannur International Airport and the National Institute of Fashion Technology (NIFT) at Kannur.

7.107 Details of allotment made in KINFRA Parks are given in Table 7.12

Table 7.12
Allotments in KINFRA Industrial Park as on 1.2.2012

Sl. No	Name of the PARK	Total No. of Units	Area Allotted		Investment (in lakhs)	Employment
			Land (acres)	Built – up space (sq. ft)		
1	Kinfra Small Industries Park, Trivandrum	56	32.62		5271	1508
2	KINFRA International Apparel Park, Trivandrum	20	26.39	309356	13590.6	6771
3	KINFRA Film and Video Park Trivandrum (including Centre – Dhrishya)	21	25	25395	23735.35	4268
4	KINFRA Export Promotion of Industrial Park, Cochin	13	47.34		11871.85	2638
5		8		16109	257.8	68

Sl. No	Name of the PARK	Total No. of Units	Area Allotted		Investment (in lakhs)	Employment
			Land (acres)	Built – up space (sq. ft)		
6	KINFRA Small Industries Park, Koratty, Thrissur (SDF)	30	19.6		5625.58	20636
7	KINFRA Small Industries Park, Koratty, Thrissur	63	45.79		8017.47	1984
8	KINFRA Small Industries Park, Mazhuvannur, Ernakulam	27	31.64		976	8908
9	KINFRA Food Processing Park, Kakkanchery, Malappuram	38	32		4169.42	1115
10	KINFRA Small Industries Park, Thalassery, Kannur	74	61.83		9700.63	1358
11	KINFRA Small Industries Park, seethangoli, Kasaragod	28	24.96		4838.99	720
12	KINFRA Small Industries Park, Kalpetta, Wayanad	32		57771	1199.08	839
13	Neo Space, Malappuram	14	145.49	6331	113777	14136
14	KINFRA HITECH Park, Kalamassery, (including incubation centre)	52	1087.72		69140.19	25625
15	KINFRA Education and Knowledge Hub, Palakkad (including BEML) i	9	3		785	237
16	KINFRA Small Industries Park, Adoor, Pathanamthitta	12	10.67		5140	791
17	KINFRA Food Processing Park, Adoor, Pathanamthitta	25	19.65	86450	2494.80	1440
18	KINFRA Textile Centre, Nadukani, Kannur (including BRFL)	26	10.7387	10745	3225.09	559
		548	1624.4387	512157	313815.85	93601
	Total					

Source: KINFRA.

Centre for Management Development (CMD)

7.108 The Centre for Management Development (CMD) is a leading, self supporting autonomous institution, which provides Research, Consulting and Training Support to the Development Agencies, Corporate and the Government, at the national, state and local levels, Established in 1979 under ACT XIII of the "Travancore-Cochin Literary, Scientific and Charitable Societies Act 1955". It is sponsored by the Government of Kerala, as an independent, professional registered society. During the year 2010-11, CMD undertook several research assignments for the Government of India, Government of Kerala, Public Sector Enterprises and Autonomous Institutions.

7.109 In the training front, CMD, in collaboration with the Bureau of Public Enterprises, Government of Kerala conducted Management Development Programmes for Officers / managers of the Public Enterprises in Kerala during the year 2010-11. Eighteen programmes were conducted during June to November 2010 covering 368 managers of 55 organizations on the following topics:

- Project Formulation and Management
- Finance for Non Finance Managers
- Behavioural Lab: Developing Managerial Competencies and
- Leadership Skills for Management of Change

7.110 Micro Enterprises Development Programmes (MEDPs) is an initiative for promotion of sustainable livelihood through vocational training in the State of Kerala. The programme are carried out in association with the local self government institutions in the State. The Centre completed 182 MEDPs all over the State during 2010-11. Another 30 MEDPs are at different stages as on 31st march 2011. The trainees were selected from rural villages in association with the local self government institutions and the majority of them were women. Other than these, CMD also conducted twelve Skill Development Training Programmes for Kudumbashree members in Palakkad, and a skill development programme sponsored by the Ministry of Sciences and Technology, New Delhi.

Cochin Special economic Zone (CSEZ)

7.111 The Cochin Special Economic Zone (CSEZ) is one among the seven Government of India owned Special Economic Zones set up as a multi-product Export Processing Zone to boost exports from the State. The Cochin Export Processing Zone was converted into a Special Economic Zone in November 2000.

7.112 CSEZ is a multi-product zone with 108 working units and 18 under implementation units as on 30.9.2011, in sectors as varied as electronic hardware, software, engineering, readymade garments, food processing, plastics and rubber products gem and jewellery manufacturing with more than 12000 employees. It is the single largest employment destination in the State. Both multinational corporations and domestic corporate have set up their units in the Zone. Export during 2010-11 was to the tune of Rs. 18311.97 crore as against Rs.17099.07 crore during 2009-10 registering a growth of 7.09%.

7.113. CSEZ stands out amongst the SEZs in India having the best infrastructure for attracting investors globally. A 25 MVA 110/11 KV substation and RMU based power distribution system, Integrated Water management system comprising 1.8 MLD water supply operation and 1.2 MLD Common Effluent Treatment Plant, a warehouse measuring an area of 24000 sq. ft for the temporary storage requirements of CSEZ units are some of the facilities offered in the Zone. The Zone has an efficient drainage network and an incinerator for disposal of solid waste within the Zone. The Zone also has a 35 m3 capacity bio-gas plant to treat vegetable / seafood waste.

7.114. Besides operating the Central Government owned CSEZ, the jurisdiction of the Development Commissioner extends to new SEZs being set up in Kerala and Karnataka and also the 100% Export Oriented Units (EOUs) in Kerala, Karnataka, Lakshadweep and Mahe. During 2010-11, 78 EQUs have been in operation with another 10 units under implementation in Kerala. Export from EQUs of

Kerala was ₹. 1317.27 crore during 2010-11 as against ₹. 1270.15 crore in 2009-10. The industry – wise Export performance of units in CSEZ from 2006-07 to 2011-12 (upto 30.9.2011) is shown in Table 7.13

Table – 7.13
Industry –wise Export Performance of units in CSEZ 2006-07 to 2011-2011 (Rs. Lakh)

Sectors	No. of Exporting units as on 30.9.2011	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (upto 30.9.2011)
Electronic Hardware	8	33000	26480	35452	30763.14	46447.70	19548.81
Electronic Software	24	4903	12087	14529	19797.79	24441.16	12979.63
Garments	3	9267	11965	20102	14942.12	17133.29	4071.15
Germ & Jewellery	12	21894	382447	1049148	1610209.37	1695149.90	1316288.82
Plastic & Rubber Products	9	4340	2792	2690	2001.81	3818.85	3040.96
Engineering	12	6078	5647	7260	5407.76	6909.63	1574,.60
Food & Agro	11	13088	12904	12375	11592.11	11841.58	4341.19
Others	29	11182	10818	13348	14263.73	25455.17	13425.91
Total	108	103752	465140	1154904	1709907.83	1831197.28	1375271.07

Source: CAPEX *provisional.

Mining


7.115 Kerala State is endowed with a number of occurrences / deposits of minerals such as Heavy Mineral Sands (Ilmenite, Rutile, Zircon, Monazite, Sillimanite), Gold, Iron Ore, Bauxite, Graphite, China Clay, Fire Clay, Tile and Brick Clay, Silica Sand, Lignite, Limestone, Limeshell, Dimension Stone (Granite), Gemstones, Magnesite, Steatite etc. However, mining activities on large scale are confined mainly to a few minerals – Heavy Mineral Sands, China Clay and to a lesser extent Limestone/ Limeshell, Silca Sand and Granite. In fact, Heavy mineral sand and China Clay contribute more than 90% of the total value of major mineral production in the State. However, 75% of the mineral revenue comes from the minor minerals.

7.116 The State owns mineral deposits like placers, china clay (kaolin), limestone, limeshell, silica sand, bauxite, graphite, iron ore, granite etc. The major mineral based industries like Indian Rare Earths Ltd., Chavara, Kerala Minerals and Metals Ltd., Chavara, Malabar Cements, Walayar, Travancore cements Ltd., Kottayam, Kundara Ceramics, Kollam, English Indian Clays Ltd. (EICL), Thiruvanthapuram, Excel Glass Industry, Alappuzha, Kerala Clays and Ceramic Products Ltd., Pazhayangadi, Kannur are some of the mineral based industries working in the State since several years. The resources of beautiful ornamental granites in the State are being exported to different countries.

7.117. As on 31st March 2011, there are 81 major mineral mines that are operation in the State. Table 7.14 given the statistics of the mines. Total area covered by mining leases is 2727.92 ha. The details are given in Appendix 7.41



Table 7.14
Details of Major Mineral Mines in Kerala




Sl.No	Name of major mineral	No. of mining leases
1	Graphite	1
2	China clay	34
3	Laterite	8
4	Iron Ore	1
5	Quartz	2
6	Lime Shell	5
7	Mineral Sand	4
8	Lime Stone	1
9	Silica Sand	25
	Total	81

Source: Department of Mining and Geology

7.118 There are more than 3500 licensed minor mineral quarries in the State. The mineral concession in force as on 31st March 2011 with respect to minor mineral is given in the Table 7.15.

Table 7.15

Details of Mineral Concession pertaining to Minor Minerals




Sl.No	Type of mineral concession	Number of concessions
1	Quarrying permits	3043
2	Quarrying leases including Dimension stone	537
3	Dealer's License	1510
4	License for registered metal crusher unit	112

Source: Dept. of Mining & Geology

7.119 The production of various major minerals in the State during the year 2010-11 and the royalty are summarized in the Table 7.16

Table 7.16
Production of Major Minerals in Kerala during 2010-11




Sl.No	Mineral	production in Tonnes	Royalty (Rs.)
1	China Clay	10,25,112	20502247
2	Limestone	5,27,557	33236091
3	Ilmenite	1,11,988	11637768
4	Silca Sand	72,425	3983369
5	Lime Shell	56,906	3585080
6	Laterite	47,303	3784214
7	Zircon	13,648	10971980
8	Sillimanite	7,367	2055374
9	Rutile	6,514	4470021
10	Graphite	250	12480
11	Quartz	59	1180

Source: Dept. of Mining and Geology

7.120 The production of various minor minerals in the State and the royalty during the year 2010-11 are given in the Table 7.17

Table 7.17
Production of Minor Minerals in Kerala during 2010-11



Sl.No	Mineral	production in Tonnes	Royalty (Rs.)
1	Granite (building stone)	1,09,60,209	175363340
2	River Sand*	30,84,704	30847044
3	Ordinary Sand	27,91,576	27915759

Sl.No	Mineral	production in Tonnes	Royalty (Rs.)
4	laterite	13,32,571	21321133
5	Brick Clay	8,37,152	8371523
6	Lime Shell	10,451	470302
7	Grantie (dimension stone)m(in cubic meters)	1068	4272636

Source: Dept of Mining and Geology

*The production figures are based on the royalty received reported by revenue Department

Revenue from minerals

7.121 Government gets revenue from minerals mainly by way of royalty. About 75% of the revenue comes from minor minerals and rest from major minerals. Revenue collected during the year 2010-11 was ₹. 36.3 crores. The year wise details of revenue collected is given in Table 7.18 and district wise details of revenue collected during 2010-11 are given in Appendix 7.42

Table 7.18
Revenue Collection details for the period 2006-11

Year	Amount collected for Major Mineral (Rs.)	Amount collected for Minor Mineral (Rs.)	Total amount in (Rs.)
2006-2007	6,54,24,712	19,92,58,251	26,46,82,963
2007-2008	7,05,32,053	24,03,12,854	31,08,44,907
2008-2009	7,59,26,174	27,90,05,659	35,49,31,833
2009-2010	8,81,27,172	27,40,44,838	36,21,72,010
2010-2011	9,42,39,804	26,91,73,740	36,34,13,544

Source: Dept. of Mining and Geology

Information and Communication Technology

7.122 The repute of the country as a favored IT/ITES destination has been growing phenomenally even in times of recession. The size of Indian IT-BPO industry has crossed 70 billion USD, contributing 5.8% of country's GDP. In the last 5 years Kerala too has witnessed the emergences of the IT & ITES business as a key contributor to the economy. The growth of the knowledge economy has been beneficial for the state as it enjoys many natural vantages that can be utilized effectively. The high density of technology graduates, lower salaries and lower employee attrition rates have also helped the states progress. Kerala is also one of the 2 states in the country to have two submarine cable landings. Initiatives taken by successive governments to promote Kerala as an IT destination have been very fruitful. The state Government has invested nearly Rs. 2000 crores during 2010-11 and 2011-12 to develop the infrastructure required for the sector. In addition to speeding up the Smart City Project, most of the existing IT parks in the state are on an expansion mode to accommodate the growing number of startups and MNC IT firms opting to move into the state.

Kerala State Information Technology Mission (KSITM)

7.123 Kerala State IT Mission (KSITM), the nodal IT implementation arm of the Government was established in the year 1999. KSITM was registered as a Society under the Travancore, Cochin, Literary, Scientific and Charitable Societies Act (Act 12 of 1955). The Governing Body of IT Mission is chaired



by Hon'ble Minister for IT and the Principal Secretary of IT is the Chairman of the KSITM Executive Committee.

7.124 The Key Objectives of KSITM include e-governance, disseminating Information across citizens and Government, interfacing between Government and Industry, bridging digital divide, investor interactions and device strategies in achieving speed and transparency in governance. The thrust activity is e-governance, KSITM has conceptualized and implemented many citizen centric E-governance Projects directly or helped the departments indirectly.

7.125 Various e-governance projects that are being, implemented in the State can be broadly classified under the heads of 'Core IT Infrastructure', 'Common IT Infrastructure', 'Common Applications' and 'Capacity Building/Enhancement Initiatives'. Components of these programme are as follows.



Core IT Infrastructure	Common IT Infrastructure	Common Applications	Capacity Building /Enhancement Initiatives
<ul style="list-style-type: none"> <input type="checkbox"/> State Data Centre <input type="checkbox"/> New Data Centre <input type="checkbox"/> KSWAN <input type="checkbox"/> SecWAN <input type="checkbox"/> Department WAN <input type="checkbox"/> Civil Station WAN <input type="checkbox"/> Akshaya <input type="checkbox"/> FRIENDS 	<ul style="list-style-type: none"> • Citizen's Call Centre • Email Server • Video Conferencing • Mobile Governance Infrastructure • State Service Delivery Gateway • E-District • Malayalam Computing • E Government Procurement • E-payment Gateway 	<ul style="list-style-type: none"> • SPARK • IDEAS • MESSAGE • SPARSH 	<ul style="list-style-type: none"> • Entegramam • INSIGHT • E-Krishi • Women's Skill Enhancement Programme • SPEED – IT • FOSS Training for Government Employees • ICFOSS

Akshaya

7.126. Akshaya was envisioned as an e-literacy project started in the State during 2002 in Malappuram District. Initially it was intended for identify the Village Level Entrepreneurs (VLE) in each Panchayat and link their project to private public partnership model. The major objectives are 100% e-literacy, delivery of G2C services, single window for all services, friendly face of government, empowering citizens through ICT, sustainability of Akshaya entrepreneurs and creation of ubiquitous CSC network. After Malappuram the programme rolled out to seven districts and now the entire districts in the State is implementing this projects. The major achievements of Akshaya are given in Box 7.5

Box 7.5

- RSBY Health Insurance policy for 1.7 crore Population. Registered 1.6 lacs APL families and 19 lacs BPL families. Renewal of policy for 13 lacs families
- Transaction worth 100 crores
- Filed 4.8 lacs online Application for Ration Card
- Intel Learn program covered 80,000 school children
- Enlisted 1500 students for various IGNOU
- More than 2.5 lac application submitted under e-district within 8 months' time
- Over 30,00,000 citizens enrolled under UID through Akshaya Centres
- More than one dozen G2C Services launched
- Total Revenue of Akshaya Entrepreneurs from G2C services for the year 2010-11 is Rs. 16 crores
- Monthly income of Akshaya Entrepreneurs from G2C service is increased from 15 lac to 2 crore

Indian Institute of Information Technology and Management – Kerala (IIITM –K)

7.127. Indian Institute of Information Technology and Management – Kerala, (IIITM-K) established in the year 2000, is a non-profit making autonomous institution registered under Section 25 of the Companies Act. Government of Kerala holds all the shares of the Company and the management of the Institute is vested with the Board of Directors comprising senior Government officials, academicians and eminent industrialists nominated by the Government of Kerala. It was originally envisaged that IIITM-K shall be a Centre of Excellence on the lines of the IITs/IIMs and shall impart high-end skill development in leading IT disciplines.

7.128 IIITM-K is a premier institute of excellence in Science, Technology and Management related to Information that develops professionals and leaders of high caliber imbued with values of entrepreneurship, ethics and social responsibility. IIITM – K will actively promote higher education and industry across Kerala and beyond through its IT facilitated education programs and services.

7.129 IIITM-K's Mission is a to be an institution of excellence in education, research, development, and training in basic and applied Information Technology and Management and to be a leader in educational networking and services provider for high education and professions. The Institute will help the region's development through its education, expertise and services and thereby make it an attractive destination for hi-tech industry. Besides, its core academic and research programs, the institute will support HRD for industry, teacher's training for colleges, IT ventures incubation, multimedia authoring for faculty and experts, and development of IT and IT enabled services for the region.

Kerala State IT Infrastructure Limited

7.130 Kerala State Information Technology Infrastructure Ltd (KSITIL) is a public limited company formed for the creation of infrastructure for IT/ITES in the State. The company has been incorporated under the Companies Act on 31.1.2008 and has commenced business on 5.3.2008

7.131 The business model for the company is to acquire land, create value addition by providing basic infrastructure like electricity, water, and road, obtain SEZ status and such other Government approvals that may be required and then allot land to private developers for development of either IT SEZs or IT parks, realizing value of land based on market prices. Revenue so generated is reinvested in projects it promotes as company's share capital. The company holds upto 26% in the projects.

7.132 The company is currently in the process of acquiring land for the following projects: Phase 3 expansion of the Technopark, Technocity at Thiruvananthapuram, Cyberpark at Kozhikode, Infopark expansion at Kochi. The company has completed acquisition of 39 acres of land at Cyberpark Kozhikode. In addition, government land has been provided in the districts of Kollam, Alappuzha (Ambalapuzha and Cherthala) Thrissur, Kannur and Kasaragode for development of IT Parks. An extent of 60.61 acres of land at Cherthala has been purchased from KSIDC. In all these areas the company is simultaneously in the process of developing basic infrastructure necessary to start the development process. The IT Park at Koratty in Thrissur district has been opened with 40000 sq. ft built up space in the first phase and 14 companies have already started operations there. First IT buildings are under construction at Kollam and Cherthala and expected to be opened for business operations in the first half of 2012.

Technopark

7.133. Technopark was set up under the auspices of Electronics Technology Park, Kerala an autonomous body under the Department of Information Technology, Government of Kerala. The Park is home to over 240 Companies employing more than 32,000 professionals. Technopark's aim was to create infrastructure and provide support required for the development of high technology companies

7.134 Technopark has been growing steadily both in size and employee strength. Park Centre, Pamba and Periyar were the only buildings in the beginning. Technopark has periodically added new buildings such as Nila, Gayathri and Bhavani. With the inauguration of the 850,000 sq. ft. Thejaswini on February 22, 2007, Technopark became the largest It Park in india. Technopark has become the single largest source of employment in Kerala, with over thirty two thousand people working directly in the facility itself and creating Rs. 2000 crores turn over with export earnings of Rs. 1977.32 crore as per details provided

7.135 The total land available with Technopark is about 771.54 acres. Total land available with Technopark for phase I and II is about 239.54 acres. Out of this 9.9 acres is leased out to NISH for developing their institute, 50 acres and 36 acres to M/s Infosys and M/s US Technology International Pvt. Ltd for creating their own private IT complex. The summary of physical achievements is given in Table 7.19

Table 7.19
Physical Achievements of Technopark

Sl. No.	Particulars	Land/Area/Rs.crore
1	Total Land (Phases I,II,III)	326.54 acres
2	Land for Technocity	451 acres
3	Land for Technopark, Kollam	40 acres
4	Total Built up space for Industries	31, 81,500 Sq.ft
5	Total space for support facilities	1, 78,850 Sq.ft.
6	Total built up space by companies	20,35,500 Sq.ft.
7	Total built up space by companies in SEZ	98,17,400 Sq.ft

Sl. No.	Particulars	Land/Area/Rs.crore
8	Number of companies in Techno park	240
9	Total Employment	32000
10	Total investment (2010-11)	Rs.2100 crore
11	Total turnover (2010-11)	Rs.2000 crore
12	Total Export (2010-11)	Rs.1977.32 crores

Source: Technopark

7.136 Details of total area created for Industrial modules in Technopark is given in Table 7.20

Table 7.20
Area created for Industrial Modules in Technopark

Sl. No.	Name of Building	Area (Sq.ft.)
1	Pamba	36,000
2	Periyar	36,000
3	Nila	4,69,500
4	Chandragiri	60,000
5	Gayathri	1,50,000
6	Bhavani	4,80,000
7	Thejaswini	8,50,000
8	Phase III-IT Building	10,00,000
9	Ashtamudi-Technopark,Kollam	1,00,000
	Total	31,81,500

Source: Technopark

7.137 Space created by Technopark for other Support facilities are shown in Table 7.21

Table 7.21
Space created by Technopark for other Support Facilities

Sl. No.	Name of Building	Area (Sq.ft.)
1	Park Centre	60,000
2	Restaurant & Cafeteria	17,000
3	Guest House	16,000
4	Club House (including Guest House)	60,000
5	Technomall	23,500
6	Reception Building	1,600
7	Site Office-Technopark,Kollam	750
	Total	1,78,850

Source: Technopark



Infopark

7.138 Infoparks Kerala is a society registered under Travancore Cochin Literary Scientific and Charitable Society Act XII of 1955 and fully owned by Government of Kerala. The main objectives include creation of state-of-art infrastructure facilities such as space for IT/ITES companies, supply of power, water, connectivity etc. Since its inception in 2004 Infopark has created over 34 lakhs sq.ft. of IT space and has provided employment to over 15,000 IT professionals through around 104 IT companies who have taken space in its Parks. Currently, Infoparks Kerala has the following IT Parks

Park	Area	District/Village
1) Infopark Park Kochi – Phase I In operation	100 acres	Kakkanad village, Enakulam District–
2) Infopark Kochi – Phase II (125 acres taken possession) - under development	160 acres	Kunnathunad / Puthencruz vil-lages, Ernakulam District
3) Infopark Thrissur - in operation	30 acres	Koratty
4) Infopark Cherthala - operation started	66 acres	Pallippuram village, Alappuzha district –
5) Infopark Ambalapuzha		Ambalapuzha

CyberPark

7.139 Cyber Park is strategically positioned to provide the benefits of large pool of skilled resources, the lower infrastructure cost and the high quality of living combined with its location and benefits to investors around the world. Further the number of reputed universities and educational institutions in the region has made it even more compelling to start the next phase of IT Parks developments in this region. The purpose of Cyberpark is to provide a friendly, cost effective and top of the line infrastructure to the IT/ITES investors, there by acting as a catalyst for the social and infrastructure development of the region with a vision to provide unlimited employment opportunities and a substantial contribution to economic development of the state especially the Malabar Region.

7.140 A high development potential for Cyberpark coming up in Kozhikode, Kannur and Kasaragod is due to the absence of any organized IT infrastructure in the gap starting from Kochi to Mangalore along the west coast. There is a very strong opportunity for IT and ITES companies to tap into the huge potential of untapped human resources. Many ITES investors are looking at this region as a potential destination because of its high rate of literacy, the high quality of living, the closeness to major IT destinations like Bangalore, Mysore and Mangalore added to the loyal and dutiful nature of people from the Malabar region. The initiative of Cyberpark by the Government of Kerala would be a huge incentive for the investors to come in and operate from the region.