DOING BUSINESS IN KERALA

A GUIDE TO INVESTORS

KSIDC
Kerala State Industrial Development Corporation
India’s only International Container Transshipment Terminal at Kochi, the hub of global trade.
**Disclaimer:** KSIDC has taken every care to ensure that the information contained in Investor Guide is correct, reliable and up-to-date. However, information contained in this book is not offered as professional advice on any particular matter and should not be taken as such. KSIDC disclaims all and any liability to any person or entity in respect of the consequences of anything done or omitted to be done wholly or partly, in reliance upon the whole or any part of this book.

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Kerala State Industrial Development Corporation Ltd (KSIDC) is mandated to attract and promote industries in Kerala. It has been doing a commendable job for the last 50 years. The in-depth knowledge KSIDC has got over the industrial climate of Kerala has helped it successfully guide investors to set up units and reap success.

Relevant and reliable information is the key to taking right decisions. In business, which involves money and opportunity, this is all the more important. However, we have often found that this critical input is not all that easy to come by.

‘A Guide to Investors’ is part of KSIDC’s attempts at bridging this gap. We have taken every care to include reliable, relevant and complete pieces of information which will help entrepreneurs take right decisions and invest more in Kerala.

The guide has three parts. The first part deals with information on the industrial infrastructure of the State. The second part features the core sectors of Kerala economy which offer great potential for growth while the third talks about the policy initiatives of the government.

This is an updated second edition of ‘Investor Guide’, being published in the background of Emerging Kerala, the global connect on Kerala’s economy. We would welcome suggestions on the content to make it better in its later editions.
Kerala State Industrial Development Corporation (KSIDC) is the premier Government agency for industrial and investment promotion in Kerala. Formed in 1961, KSIDC promotes, facilitates and finances large and medium scale industries and catalyses the development of physical and social infrastructure required for industrial growth.

A single point contact for investments to the State, KSIDC offers a comprehensive set of services that include developing business ideas, identifying viable projects and providing financial assistance and guidance for implementation.

Being the nodal agency for foreign and domestic investments in Kerala, KSIDC facilitates clearances, approvals and processes various incentive schemes. It acts as the brand ambassador of the State spreading its industrial ethos besides being an interface between the Government and the Industry.

KSIDC is led by a core group of seasoned professionals from various fields including Engineering, Management, Finance and Law.

KSIDC has over 5 decades of proven track record of attracting a commendable volume of investment to the State. So far, it has promoted more than 750 projects in the State which include pioneering organisations such as Cochin International Airport Limited, KELTRON, Hindustan Latex Ltd, Kerala Minerals & Metals Ltd, Tata Tea Ltd, Harrisons Malayalam Ltd, BrahMos Aerospace Trivandrum, Nitta Gelatin India Ltd., Geojit BNP Paribas Financial Services Ltd., Regional Cancer Centre, Malabar Cements Ltd, Kerala State Drugs & Pharmaceuticals Ltd, Cochin Stock Exchange Ltd, BSES Kerala Power Ltd, Kerala Ayurveda Pharmacy Ltd, Lakeshore Hospital & Research Centre Ltd, Kerala Enviro Infrastructure Ltd, Kerala High Speed Rail Corporation Ltd and Kerala Gail Gas Ltd.

www.ksidc.org
Did you know?
Kerala is the State with

- The country’s first and only International Container Transshipment Terminal.
- Three existing international airports, with the fourth one in the pipeline.
- A 5 Mn Tonne capacity LNG Terminal and Gas Pipeline infrastructure, under construction.
- India’s only spot where both submarine cables SEA-ME-WE3 and SAFE land.
- Over 130 engineering colleges.

- Excellent law & order situation
- Unparalleled infrastructure
- Well-trained human resource pool
- Rich in natural resources

And the charms of God’s Own Country!

Come. Let’s ascend to the top!
India’s most connected State

- **AIR**
- **International Airport**
- **Railwayline**
- **National Highway**
- **Other Roads**

- Kollam
- Trivandrum
- Malappuram
- Maldives
- Abu Dhabi
- Muscat
- Doha
- Sharjah
- Bahrain
- Jeddah
- Dammam
- Kuwait
- Colombo
- Dubai
- Kozhikode
- Calicut
- Cochin
- Kollam
- Trivandrum

**Operation by all major airlines**

**Offers transit flight facilities**
Kerala’s air connectivity with its three international airports Thiruvananthapuram, Kochi and Kozhikode—is unparalleled for an Indian State. The work on the fourth one, the Kannur International Airport, is on. A passenger has access to air connectivity by travelling less than two hours from any part of the State.

The Cochin International Airport is the first green field airport built on the public-private participation route in India. The Government of Kerala and its agencies hold 26 per cent equity in the Cochin International Airport Limited, which operates the airport, while the rest is held by non-resident Indians, private individuals and financial institutions.

The Cochin International Airport is the fourth busiest airport in India in terms of international traffic with 179 international departures a week. As many as 4.3 million passengers travelled through airport in 2010-2011, against 3.9 million in 2009-2010. Of them, 1.98 million were domestic travelers and 2.3 million international travelers.

With 16 international carriers, the airport has direct connectivity to most countries in West Asia, and Singapore and Malaysia, apart from onward connections to various European destinations and the Far East. It is well-connected to all the metros and other non-metro airports in the country.
The 1148 km railway lines, 13 routes and 200 railway stations make transport of men and material to any part of the State easy.
There are two Railway divisions headquartered in Kerala (Thiruvananthapuram and Palakkad).

**Palakkad Division**  
Divisional Railway Manager  
Additional Divisional Railway Manager  
Senior Divisional Commercial Manager  
Senior Divisional Operations Manager  
**Phone 91-491**  
2555343  
2555443  
2557173  
**E-mail:**  
drmptgl@sr.railnet.gov.in  
adrmpgt@sr.railnet.gov.in  
sdcmpgt@sr.railnet.gov.in  
sdomptgl@sr.railnet.gov.in

**Thiruvananthapuram Division**  
Divisional Railway Manager  
Additional Divisional Railway Manager  
Senior Divisional Commercial Manager  
Senior Divisional Operations Manager  
Public Relations Officer  
**Phone 91-471**  
2325468  
2325632  
2326037  
**E-mail:**  
drmtvc@sr.railnet.gov.in  
adrmtvc@sr.railnet.gov.in  
sdcmmtvc@sr.railnet.gov.in  
sdomtvc@sr.railnet.gov.in  
protvs@sr.railnet.gov.in
ROADS

Kerala is one of the most connected States in India with 2,19,805 km of roads linking its villages, towns and cities.

Kerala's road density is 417 km/100 sq. km. and it is far ahead of the national average of 100.39 km./100 sq. km. The length of road per lakh population is 509.23 km. and it is much higher than the national average of 321.3 km.

Eight National Highways connect Kerala to the rest of India.

<table>
<thead>
<tr>
<th>NH No.</th>
<th>Portion in Kerala</th>
<th>Length in Kerala (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>Edappally - Kaliyakkavila</td>
<td>669.437</td>
</tr>
<tr>
<td>17</td>
<td>Thalapadi - Edappally</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Bodimettu - Kundannoor</td>
<td>167.61</td>
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<tr>
<td>220</td>
<td>Kottarakkara - Kumily</td>
<td>190.3</td>
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<tr>
<td>47</td>
<td>Valayar - Edappally</td>
<td>160</td>
</tr>
<tr>
<td>208</td>
<td>Kollam - Kazhuthuritty</td>
<td>81.28</td>
</tr>
<tr>
<td>212</td>
<td>Kozhikode - Muthanga</td>
<td>117.6</td>
</tr>
<tr>
<td>213</td>
<td>Ferokh - Palakkad</td>
<td>125.304</td>
</tr>
<tr>
<td>47C</td>
<td>Kalamassery - Vallarpadam</td>
<td>17</td>
</tr>
<tr>
<td>47A</td>
<td>Kundannoor - Willington Island</td>
<td>5.92</td>
</tr>
</tbody>
</table>

Total Length 1534.45 KM
National Highways

M C Road Route Map
Kerala, with a coastline of 590 km, has a major port at Kochi and 17 smaller ports along the coast. The Cochin Port, an all-weather port on India’s west coast, has one of the best Turn Around Times (TAT) amongst Indian ports.

The Cochin Port is also a favourite port-of-call for luxury cruise liners from across the world.

**Contact details of Cochin Port Trust**

**Tel:** +91-484-666610

**Chairman:** +91-484-2668200, 2668566

**Chief engineer:** +91-484-2666414

**Secretary:** +91-484-2666412

Kerala has 17 other ports which are mostly seasonal. Of them, the following seven have been selected for development.

Vizhinjam | Kollam | Alappuzha | Kodungallur | Ponnani | Beypore | Azhikkal.
The ICTT Advantage

At a time when India had no international container transshipment terminal, as much as 65 per cent of Indian containerised cargo was routed through Colombo. The Vallarpadam ICTT, located close to the international shipping route connecting Australia with Far East and Europe, now seeks to change this. It can host motherships carrying cargo directly to the far-flung destinations. The direct service will translate into a cost saving of around $200 per container, making Indian products more competitive in the International markets. It is also a boon for those who look at importing raw material from the global market, make value-added products and then export them.

India Gateway Terminal Pvt.Ltd,
IGT House, Container Terminal,
Willingdon Island, Kochi-682 003
Tel: +91-484-4080000, 4080234
Fax: +91-484-4080250
CEO: +91-484-4156200
General Manager: Tel: +91-484-4080202
Customer Support: Tel: +91-484-4080281/4080244
customersupport: igtpl@dpworld.com
http://www.igtpl.com
Industrial Infrastructure

- Telephone/Broadband
- Power
- Water
- Human Resource
- Land
Kerala is in a unique position when it comes to offering broadband connectivity: Kochi is the only city in India where the two undersea cables—SAFE and SEA-ME-WE3—have a landing point. This offers the cheapest and most reliable connectivity for a company anywhere in Kerala.

It is not just Kochi in the loop: the state has a 15000-km long OFC chain which connects every one of the 1000-odd telephone exchanges, making Kerala one of the best networked States in the country.

### Annual rate for a two MB stream
Cost for 2 Mbps 1:1 connectivity in Kerala ranges from ₹1.5 lakh to ₹2 lakh per annum.

### Teledensity
National: 75.48
Kerala: 105.76
POWER

Domestic and commercial electric consumption charges in Kerala are one of the lowest in the country.

The Kerala State Electricity Board has an installed capacity of 2234.4 MW on its own, with another 622.9 MW contributed by NTPC and private sector producers, taking the total installed capacity to 2857.3 MW.

The average peak load is 3100 MW, with the difference being met by drawing power from the central power grid. The scenario will soon change with gas based power plants coming up in the state.

LNG Terminal

South India’s first LNG regassification terminal, being built at Puthuvypeen, Kochi, will be commissioned in 2012. The 5 mmtpa terminal of Petronet LNG Ltd will fuel the growth of energy-intensive industries in Kerala. The project is set to feed gas in the power, fertiliser and industrial sectors in Kerala and other Southern States. In addition, there will be gas supply to the transport and domestic sectors.

### HIGH TENSION (HT – IV ) COMMERCIAL
Normal Rates
Demand Charges (per KVA of Billing Demand/Month): ₹ 350
Energy Charge (per KWH): ₹ 3.7

### HIGH TENSION (HT – I) INDUSTRIAL
Normal Rates
Demand Charge (per KVA of Billing Demand/Month): Rs 270
Energy Charge (per KWH): ₹ 3.00
Energy Charge (applicable to Power Intensive industries which are allotted power on or after 17-12-1996) (per KWH): ₹ 3.50

### HIGH TENSION (HT – II) NON-INDUSTRIAL / NON-COMMERCIAL
Technical and Educational Institutions and Hostels run by or affiliated to Universities or Government Departments
Normal Rates
Demand Charges (per KVA of Billing Demand/Month): Rs 300
Energy Charge (per KWH): ₹ 3.00
Kerala is one of the few Indian States with abundant supply of potable water. Its rivers, lakes and backwaters ensure that if used efficiently and conscientiously, they can meet the domestic and industrial water needs.

Kerala Water Authority is the agency responsible for the supply of domestic, commercial and industrial water. In industrial parks run by agencies such as KSIDC and KINFRA, the operators have their own water sources and supply lines.

**Kerala Water Authority**
Jala Bhavan, Vellayambalam,
Thiruvananthapuram-695 033
Tel: +91-471-2328654 Fax: +91-471-2324903
Email: kwafin@vsnl.net.in
www.keralawater.org

**Industrial water tariff:**
₹ 25 per 1000 litres;
minimum payment per month ₹ 250
Investors have different options for acquiring land for industrial purpose in the State. There are developed industrial plots available with government agencies which are given on a long lease. Investors can also purchase land through direct negotiation with sellers. All such purchases, however, should be in line with the provisions of the Kerala Land Reforms Act which restricts the maximum holding for a single entity to 15 acres.

The Industries & Commerce Department, under its land allotment scheme, provides development areas and plots for industrial use to prospective entrepreneurs on hire purchase or lease. Entrepreneurs may apply to the General Manager of the concerned District Industries Centre.

**DISTRICT MINI INDUSTRIAL ESTATE CO-OPERATIVE SOCIETIES**

District Mini Industrial Co-operative Societies, under the control of the District Industries Centre, provides industrial sheds with land on hire purchase basis to prospective entrepreneurs to put up their units. Except Kasaragod and Pathanamthitta, all other districts have these co-operative societies. The hire purchase value of sheds and land will be payable in 60 equal monthly instalments. The allottee has to pay the first instalment before taking possession of land and shed and the balance amount in 59 equal monthly instalments with an interest of 2 per cent per annum. Applications are to be submitted to the General Manager, District Industries Centre, with copies to MD or Chief Executive, District Mini Industrial Estate Co-operative Society.

**INDUSTRIAL ESTATES AND MINI INDUSTRIAL ESTATES**

The Industrial and Mini Industrial Estates Scheme of the Kerala Small Industries Development Corporation envisages providing industrial land/sheds to entrepreneurs on hire purchase/lease basis. Application has to be made in prescribed form to the Managing Director, SIDCO, Housing Board Buildings, Thiruvananthapuram.

**Documents to be attached with the application form**
- Copy of MSME Registration (Part I/Part II)
- Two copies of scheme
- Copy of building plan
- Earnest Money Deposit of ₹1,000 by means of crossed DD
- On hire purchase scheme, promoter has to make an initial payment of 20 % value in advance.

**FUNCTIONAL INDUSTRIAL ESTATE FOR RUBBER AND PLASTIC UNITS**

The Directorate of Industries and Commerce governs two industrial estates for rubber and plastic units, at Changanacherry (Kottayam District) and Manancherry (Malappuram District), where facilities such as mixing of rubber, sheeting extrusion, and calendaring of rubber are done at nominal costs. They also provide tool room facilities at nominal rates.

Details of developed plots are available at www.keralaindustry.org/Schemes_LandDevelop.htm
The list of SIDCO lands is available at www.keralaindustry.org/Schemes_LandIndustries.htm or www.keralasidco.com
Kerala Municipal Building Rules are available at www.lsg.kerala.gov.in/htm/kmbr.asp
KSIDC has developed four Industrial Growth Centres in the State, located in Kannur, Kozhikode, Malappuram and Alappuzha districts. The Industrial Growth Centres are aimed at developing the industrially backward districts of the State.

All IGCs are provided with basic infrastructure facilities required for industries like roads, power, telecommunication, water supply, power, administrative buildings. Land is allotted to prospective entrepreneurs in the form of industrial plots and built-up areas.

**INDUSTRIAL GROWTH CENTRE - KANNUR**
The proposed Kannur international airport is 20 kms away from the IGC. The proposed gas pipeline from the LNG terminal at Kochi connecting Mangalore will open up tremendous opportunities for gas-based power and other projects. A new gas-based thermal power plant with 1200 MW capacity at Cheemeni, in the nearby Kasaragod district is in an advanced stages of planning, ensuring adequate power availability. The Azhikkal Port at Kannur and Ezhimala Naval Academy are projects that put Kannur in the global marine map.

**Location:** Valiyavelicham, Koothuparamba  
**Postal Address:** Mooriyad P.O, Kannur 670 643  
**Extent of land:** 250 acres (100 hectares)  
**District:** Kannur  
**Nearest Town:** Koothuparamba (6 km)  
**Nearest Railway Stations:** Thalassery (21 km), Kannur (25 km)  
**Nearest Airport:** Kozhikode, Mangalore  
**Nearest Seaport:** Mangalore

**INFRASTRUCTURES AVAILABLE**
- Water - Intake well, pipelines, overhead tank, 5 MLD capacity water treatment plant, DG set and pumping station.
- Roads - internal road of length 2.15 km within the Centre.
- Building - Administrative block building with 1596 Square meters & SDF having 10000 Square meters. SDF has supporting facilities like canteen and creche.
- Power: An additional 11 KV line is being commissioned.
- 110 KV Substation proposal is in the pipeline
- Communication: Telephone and internet connectivity is available.
- Effluent treatment Plant: ETP with 2.5 lakh litres capacity has been commissioned exclusively for the apparel units
EXISTING FACILITIES/UNITS
- SSI Park with an extent of 50 acres of land exclusively for small scale units.
- Separate Apparel Zone with 40 acres and SDF building for textile units and SDF building.
- A Rubber park with 30 acres for rubber based units.
- Apparel Training and Design Centre by Government of India offering training facilities in apparel design.

IGC Office
Mr Adel
Assistant Manager,
Industrial Growth Centre, Valiyavelicham, Koothuparamba
Mooriyad P.O, Kannur - 670 643 Phone : 0490 2362630

INDUSTRIAL GROWTH CENTRE-KOZHIKODE

Location: Kinalur
Extent of land : 308 acres [123.2 hectares]
Village : Kinalur
Taluk : Quilandy
District : Kozhikode
Nearest Railway Station : Kozhikode [25 km]
Nearest Airport : Kozhikode [50 km]
Nearest Seaport : Kochi [200 km]

INFRASTRUCTURE AVAILABLE
Water: Natural pond, pipelines, overhead water tank, 1.5 MLD capacity water treatment plant, motors and pumping station.
Power by KSEB. 630 KVA transformer installed at SDF.
Roads: Internal road of length 1.1 kms within the Growth Centre Building Communication-Telephone & Internet connectivity available. Existing facilities/units
Administrative Block Building with built up area of 1987.06 Square meters.
SDF building having built up area of 4220.97 Square meters.
Footwear & Sports goods park in 70 acres of land to consolidate & accelerate the faster growth of Footwear Industries in Kerala, which are highly concentrated in the Malabar region.
A Footwear Design and Development Centre to take care of all training needs in Footwear industry
Single Window Clearance support for obtaining various licences.
World class athletic school managed by Olympian P.T.Usha.

Contact Persons
Mr Ashik
Assistant Manager,
Industrial Growth Centre, Kinalur, Via Balussery, Kozhikode - 673 621
Phone: 0496 2646454/2646794
Email: ashik@ksidcmail.org

Regional Office
Mr R.Prasanth
Assistant General Manager
Kerala State Industrial Development Corporation Ltd.
2nd Floor, Choice Towers, Manorama Junction, Kochi - 682 016 Phone : 0484 2323010, Fax: 0484 2323011
Email: prasanth@ksidcmail.org
INDUSTRIAL GROWTH CENTRE-ALAPPUZHA

The Industrial Growth Centre, Alappuzha, is located at Pallippuram which is about 7 km from the nearest town, Cherthala. It is the largest Industrial park in the district and has got all the basic infrastructure facilities and excellent road connectivity. The IGC Cherathala is only about 32 kms away from Kochi which offers tremendous opportunities for the investors.

**Location:** Cherthala, Alappuzha district, 6 Km away from NH 66
**Extent of Land:** 278.79 acres [111.5 hectares]
**Nearest Airport:** Kochi International Airport - 70 km
**Nearest Railway Station:** Cherthala - 10 km
**Nearest Port:** Kochi port - 35 km
**Best suited for:** Coir clusters/marine /silica/cement-based Projects/Educational/Engineering Projects

**INFRASTRUCTURE AVAILABLE:**
- Water - KWA water tank in the premises.
- Power by KSEB.
- Roads - 15 Mts wide Internal road
- Single window clearance mechanism for all licences and approval.

**EXISTING FACILITIES/UNITS**
- IT park in 60 acres of land by K.S.I.T.I.L
- I.H.R.D. Engineering College
- M/s. Kera Matt walla Pvt. Ltd.
- Golden Fibre Tech. Society
- Alappay Fibre Tuft P. Ltd.

**Contact:**
Ph: 0484 2323010
Fax: 0484 2323011
E-mail: thomas@ksidcmail.org

LIGHT ENGINEERING INDUSTRIAL PARK-PALAKKAD

**Location:** Kanal Pirivu, Near Walayar, Palakkad, by the side of NH 544
**Nearest Airport:** Coimbatore [60 km]
**Nearest Railway Station:** Palakkad [22Km], Kanjikode [2 km] & Walayar – [5km]
**Nearest Port:** Kochi Port - 150 km
**Best suited for:** Light Engineering Units
**Total extent of land:** 35 Acres
**The Investors in the park will be offered:**
*Land on lease for 90 years
*Dedicated Power
*Potable water
*Industrial Gas
*Road Rail connectivity
*Single window clearance mechanism for all licences and approval.

**Contact:**
Ph: 0484 2323010
Fax: 0484 2323011
E-mail: thomas@ksidcmail.org
**LIFE SCIENCES PARK-THIRUVANANTHAPURAM**
KSIDC is establishing a Life Sciences Park near Kazhakkoottam in Thiruvananthapuram, a fast emerging hub of knowledge based industries.

**Location:** Vailoor village, Thiruvananthapuram District  
Nearest Railway station: Murukkumpuzha (5 km)  
Nearest Airport: Thiruvananthapuram (30 km)  
Nearest Port: Vizhinjam International Seaport (35 km)  
Park area: 75 acres (phase I), 160 acres (Phase-II)  
Thrust areas: Industries and R & D institutions in key life science sectors like biotechnology, biomedical engineering, bioinformatics, phar maceuticals and healthcare etc.  
Infrastructure facilities: Developed land and pre-built factory/ R&D space will be made available, with all infrastructure including power supply, water connection, communication system, internal connectivity etc  

**Contact:**  
**Deputy General Manager (Business Development)**  
Kerala State Industrial Development Corporation Ltd  
Kawdiar, Thiruvananthapuram 695003, Kerala, India.  
Tel: +91 471 – 2318922

**Electronic Hub, Amballoor, Kochi**  
Location: Mulanthuruthy, Ernakulam  
Total extend of land: 334 Acres  
Nearest Airport: Kochi (40 km)  
Thrust areas: Electronic Hardware, display technologies, entertainment electronics, optical storage devices, passive components, electromechanical components, telecom equipment, transmission & signaling equipment, semiconductor designing, electronic manufacturing services (EMS) etc  
Proposed Facilities: Dedicated power and water supply, standard design factories, business centre, food court and refreshment centers, township with hotel complex, guest house, commercial complex, residential complexes, etc  
Nearest Railway Station: Mulanthuruthy (5km), Ernakulam Jn (19km)  
Nearest Port: ICTT Kochi (20 km)  

**Contact:**  
**Deputy General Manager (Business Development)**  
Kerala State Industrial Development Corporation Ltd  
2nd Floor Choice Towers, Manorama Junction, Kochi-682016  
Tel: +91 484 - 2323010
Kinfra Parks

Kerala Industrial Infrastructure Development Corporation (Kinfra) has developed more than 20 industrial parks across the State. While some are theme parks (such as the film and video park in Thiruvananthapuram), the others are multi-purpose parks.

**KINFRA INTERNATIONAL APPAREL PARK**

*Thumba, Thiruvananthapuram.*

Thrust area: Apparel/garment manufacturing  
Infrastructure: Standard Design Factories in five buildings (total 2.41 lakh sq ft)  
Park area: 45 acres

**KINFRA EXPORT PROMOTION INDUSTRIAL PARK**

*Kakkanad, Kochi.*

Thrust area: Export Oriented Units with 33.33% export commitment in sectors such as engineering products, textile and garments, food products, ceramic products, rubber/plastic/leather products, chemicals, pharmaceuticals/herbal medicines.  
Facilities: Proximity to the Cochin International Seaport, the Cochin International Airport and the Cochin Special Economic Zone (CSEZ) headquarters. Internal roads, recreation centre, hostel, bank, dedicated 110 KV line for uninterrupted power supply, water, state-of-the-art communication network.

**FILM AND VIDEO PARK**

*Kazhakkootam, Thiruvananthapuram*

Thrust area: Animation, film & serial making, editing, media  
Facilities: Business centre, food court and restaurant, hotel complex, guest house, commercial complex  
Total Park Area: 75 Acres  
Current lease premium: `34.01 lakh/acre  
Kinfra SEZ for Animation and Gaming is the first of its kind in the country.  
Thrust areas: Editing/outdoor facilities, animation Software, Teleport facilities, digital Cinema  
Total area: 25 Acres  
Land Available for Export Oriented Animation/ gaming Units

**SEAFOOD PARK**

*Aroor, Alappuzha District*

Thrust area: Pre-processing units (peeling), cleaning and storage  
Facilities: Modern pre-processing centre, flake ice plant, water (reverse osmosis) treatment plant, effluent treatment plant, chilling plant, quality control laboratory  
Park area: 1 hectare
RUBBER PARK
Airapuram, Ernakulam district.

Thrust area: Rubber/rubber wood products, latex.
Facilities: Internal roads, container parking, pollution control testing and certification, customs & excise bonded warehouse, tool room, material and components bank, conference hall, guest house.
Park area: 107 acres
Allotable area: 70 acres  Current Lease Premium: ₹ 20 lakh per acre

WESTERN INDIA KINFRA LTD.
Kanjikkode, Palakkad

Thrust areas: Rubber/plastic products, textile and garments, coir products, chemicals, engineering products, food/agro products/beverages, pharmaceuticals/herbal medicine, ceramic products, leather products
Facilities: Power, water supply, warehouse
Park area: 750 acres

KINFRA SMALL INDUSTRIES PARK
Mazhuvannur, Ernakulam District.

Thrust areas: Rubber/plastic products, furniture, food processing, light engineering, packaging, ceramic products.
Facilities: Dedicated power supply, continuous water supply, common facility centre, sewage and effluent disposal
Total park area: 65 acres

KINFRA SMALL INDUSTRIES PARK
Koratty, Thrissur

Thrust areas: Ceramic products, building materials, plastic products, spices, light and general engineering
Facilities: Dedicated power supply, continuous treated water supply, Conference hall, raw material storage facility Total park area: 30 acres, Land not available

KINFRA SMALL INDUSTRIES PARK
Kalpetta, Wayanad

Thrust areas: Agro/food industries, garments, building materials/wood products, ceramic industries, plastic products, chemical products, paper, leather goods, general engineering.
Facilities: Dedicated power supply, continuous treated water supply, fire protection, hygienic waste disposal, common utility centre, warehousing & cold storage.
Total park area: 50 acres
Current lease premium: ₹ 16.18 per acre
**KINFRA SMALL INDUSTRIES PARK**  
**Seethangoli, Kasaragod District**

Thrust areas: Building materials/wood products, rubber/leather, ceramic and mineral based industries, light engineering, electronics repair/servicing, sericulture/silk processing, plastic, food processing, paper, garments.

Facilities: Captive power plant, continuous water supply, health centre, marketing cum exhibition centre, business centre

Total park area: 60 Acres. Land: Fully developed industrial plots

Current Lease Premium: ₹ 2.88 lakh/acre

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**KINFRA NEO SPACE**  
**Kakkancherry, Malappuram District**

Thrust areas: Electronics/software industry/IT enabled services/biotechnology

Total built-up Module: 85,000 sq. ft.

Built-up space not available

---

**KINFRA INDUSTRIAL PARK**  
**Adoor, Pathanamthitta District**

Thrust Area: General industries

Total area: 49 acres

Allotable area: 24.80 acres

Infrastructure facilities: Power, water, internal roads

Facilities: Single window clearance system

Lease premium: ₹ 25.85 lakh per acre

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**KINFRA FOOD PROCESSING PARK**  
**Adoor, Pathanamthitta**

Thrust Area: Food processing industries

Total area: 36 Acres

Allotable area: 18.20 Acres

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**For details on Kinfra parks:**

*Kerala Industrial Infrastructure Development Corporation (KINFRA)*

Kintra House, Sasthamangalam P O, 14/1026, Vellayambalam, Thiruvananthapuram- 695 010.  
Ph: +91-471 2324285, Fax: +91-471 2324473  
e-mail: kinfra@vsnl.com  www.kinfra.org
Special Economic Zone

Special Economic Zone is followed by 24 others which are at various stages of completion. While some of them are specialty products such as Technopark Phase-II, Kinfra Biotechnology park, Kalamasserry, Kochi and Inforpark, Kochi, some others are multi-products. The excellent airport and seaport connectivity makes doing business in the SEZs in Kerala all the more attractive.
Kerala has International convention centres in Kochi and Thrissur. The Lulu International Convention Centre in Thrissur is the second largest in India, has a built-up area of 1,50,000 sq. ft. It has seven upscale venues which can accommodate up to 5000 people at a time.

**KOCHI**

*Le Méridien Cochin Resort & Convention Centre*

Maradu, Kochi - 682304  Ph: 0484 2705777  
Email: lemeridien.cochin@lemeridien.com  
www.lemeridien.com

**THRISSUR**

*Lulu International Convention Centre*

Puzhakkal Ayyanthole, Thrissur - 680003  
Tel: +91 487 3011111  
Email: info@luluicc.in  
www.luluicc.in
HR Pool
It’s not just near-total literacy that makes up Kerala’s human resource pool. A variety of quality educational and research institutions ensure abundant supply of quality manpower, whatever be the sphere of business activity.

**Kerala has the highest density of science and technology personnel in India**

**Central Institutions**
- National Institute of Technology - Kozhikode
- Indian Institute of Space Science and Technology - Thiruvananthapuram
- Indian Institute of Management – Kozhikode
- Sree Chitra Institute of Medical Science and Technology Thiruvananthapuram,
- Rajiv Gandhi Centre for Biotechnology, Thiruvananthapuram.

**Universities**
- The Central University of Kerala
- Cochin University of Science and Technology
- Kerala Agricultural University
- Kerala University of Health and Allied Sciences
- University of Kerala
- Mahatma Gandhi University
- University of Calicut
- Kannur University
- Sree Sankaracharya University of Sanskrit
- Indian Institute of Information Technology and Management-Kerala
- National University of Advanced Legal Studies
- Amrita Deemed University

**Research Institutions**
- Vikram Sarabhai Space Centre, Thiruvananthapuram.
- Indian Institute of Spices Research (IISR), Calicut.
- Regional Cancer Centre (RCC), Thiruvananthapuram.
- Central Plantation Crops Research Institute [CPCRI], Kasaragod.
- Central Tuber Crops Research Institute [CTCRI], Thiruvananthapuram.
- National Institute of Interdisciplinary Science & Technology [NIIST], Thiruvananthapuram.
- Centre for Cardamom Research Institute [CCRI], Idukki.
- Rubber Research Institute of India [RRII], Kottayam.
- Tropical Botanical Garden and Research Institute, Palode, Thiruvananthapuram.
- Regional Research Laboratory, Thiruvananthapuram.
- Kerala Forest Research Institute, Peechi, Thrissur.
- Central Marine Fisheries Research Institute, Ernakulam, Kochi.

**No. of engineering colleges:** 131  
**No. of seats:** close to 35,000  
**No. of polytechnics:** 54  
**No. of seats:** 9900  
**No. of ITI/ITC:** 454
Social Infrastructure

- Law and Order
- Education
- Healthcare
- Leisure
- Social Harmony
Law and Order
Rule of law is the hallmark of Kerala society. An Independent judiciary, a strong police force, a vigilant media and an enlightened society ensure that Kerala never deviates from its traditional path of peaceful living. Kerala is free of communal or sectarian violence of consequence. In recognition of these facts, 'India Today' in 2009 selected Kerala as the State with "Best Law and Order" record.

Places of worship of all major religions dot every village and town. To its credit, Kerala is home to a 450-year old Jewish Synagogue one of the oldest synagogues outside Israel.

Education
Kerala has, over the decades, invested heavily in education setting up primary and secondary schools in every village and town. Today, the State has one of the most vibrant educational systems having government-run and aided private schools.

Apart from these, the State also has a number of public schools affiliated to the Central Board of Secondary Education and Indian Certificate for Secondary Education Board. Students of several nationalities study together in these schools.
Kerala is home to some of the most reputed arts and science colleges which have been accredited at five-star level by the National Assessment and Accreditation Council. Some of them have appeared among the top 20 colleges through surveys of leading publications such as India Today.

**Healthcare**

Kerala’s healthcare indices are legendary, thanks to a very strong public healthcare system and very high standards of personal and public hygiene. A strong network of private hospitals, including corporate hospitals supplement the healthcare system in Kerala.

### Kerala’s comparative health indices

<table>
<thead>
<tr>
<th></th>
<th>Kerala</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Life expectancy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>76.3</td>
<td>67.17</td>
</tr>
<tr>
<td>Male</td>
<td>71.3</td>
<td>65.13</td>
</tr>
<tr>
<td>Sex ratio: 1058:1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infant Mortality Rate</td>
<td>10</td>
<td>50.78</td>
</tr>
<tr>
<td>(per lakh live births)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Kerala’s Corporate Hospitals

#### Kochi

**Medical Trust Hospital**  
Ph: + 91 484 2358001  
E-mail: medtrust@vsnl.com

**Lakeshore Hospital and Research Centre**  
Ph: + 91 484 2701032/2701033  
E-mail: info@lakeshorehospital.com

**Amrita Institute of Medical Sciences and Research Centre**  
Ph: + 91 484 2801234/2804321,  
E-mail: aimsinternational@daims.amrita.edu

#### Thiruvananthapuram

**Kerala Institute of Medical Sciences**  
Ph: + 91 471 4071000/2447575  
E-mail: marketing@kimskerala.com

#### Kozhikode

**Malabar Institute of Medical Sciences**  
Ph: + 91 495 2744000 (24 lines)  
E-mail: mimsclt@mimsindia.com
Kerala is not just about business; it’s about rejuvenation and Ayurvedic treatment also. Kerala has rediscovered the power of Ayurveda to restore the vital forces to the human body and soul so that people continue to live life to the fullest. Kerala Ayurvedic rejuvenation therapies are today known world over for their restoration power.

But Ayurveda is not just about rejuvenation. In fact, its real power lies in effectively treating diseases, even chronic diseases. Ayurveda has a solution to many diseases such as psoriasis, rheumatic diseases, ano-rectal diseases and diabetes-related diseases for which modern medicine has very little to offer.

Kerala is a land of holistic healthcare. So, should you feel tired running your business, relax. Rejuvenate in good Ayurveda centres of Kerala.
Excellent Ayurveda Centres

Vaidyaratnam P. S. Varier's Arya Vaidya Sala, Kottakkal
Malappuram (Dist.),
Tel: +91-483 2808000, 483 2742216,
E-mail: mail@aryavaidyasala.com
Website: www.aryavaidyasala.com

Ashtavaidyan Thaikkattu Mooss Vaidyaratnam Oushadhashala,
Thrissur district,
Tel: +91-487-2352338, 2352398,
E-mail: mail@vaidyaratnammooss.com
Website: www.vaidyaratnammooss.com

KAPL Ayurveda Hospital, Aluva
Ernakulam district,
Tel: +91 484 2626119, 2626750
E-mail: hospital@keralaayurveda.biz

Sreedhareeyam Ayurvedic Eye Hospital, Koothattukulam
Ernakulam district,
Tel: +91-485 2253007, 2251578, 2251905
E-mail: mail@sreedhareeyam.com
Website: www.sreedhareeyam.com

Amba Ayurveda Hospital
Perunna, Changanassery, Kerala
Tel: +91 481 2420354, 2424354, 3095749
Email: info@ambaayurveda.org
Website: www.ambaayurveda.org

Thripunithura Ayurveda College
Dhanwanthari Nagar,
Ernakulam
Tel: +91 484 2777489
E-mail: principal@ayurvedacollege.org

Vaidyamadhom Vaidyasala & Nursing Home,
Palakkad district,
Tel: +91 - 466-2272913
E-mail: vaidyamadhamb@satyam.net.in
Website: www.vaidyamadhamb.com

Harisree Hospital,
Mannuthy, Thrissur,
Tel: +91 - 487-2371367, 2374560,
Mob: 9447002493

Nagarjuna Ayurveda Centre, Kalady
Ernakulam district,
Tel: +91-486-2276112, 2276113
E-mail: nagarjuna@nagarjunaayurveda.com
Website: www.nagarjun.com

S.N.A. Oushadhasala
Thrissur district,
Tel: +91 - 487-2420948, 2441948
E-mail: mail@thaikatmooss.com
Website: www.thaikatmooss.com

Ayurveda Mana
Palakkad district,
Tel: +91-466-2370660, 2370770
Mobile: +91-9846045696, 9846095696,
9846044696.
E-mail: info@ayurvedaman.com
Website: www.ayurvedaman.com
Leisure, recreation

What about doing business in one of the tourism hot spots in the world? Kerala offers that chance to entrepreneurs with a green heart. You will never find a minute boring in Kerala: In 60 km, you will find famed hill resorts, backwaters, beaches and river front rivieras.

Kerala, with its cosmopolitan outlook, has readied recreation centres of global standards in its cities and towns. The Lulu Cochin Mall, spread over two million square feet in Kochi, is the country’s biggest mall. The State also hosts some of the best amusement parks in the country.
Get-aways

Hill stations: Munnar, Ponmudi, Wayanad
Adventure tourism spots: Vagamon (paragliding), rafting
Eco Tourism/trekking: Parambikkulam Tiger Sanctuary, Silent Valley National Park, Thattekkad bird Sanctuary, Thenmala.
Backwaters: Alappuzha, Kochi, Kumarakom
Waterfalls: Athirappally, Thommankuthu
Beaches: Kovalam, Thiruvananthapuram, Varkala, Thiruvananthapuram, Cherai, Ernakulam, Nattika, Thrissur, Kappad, Kozhikode, Muzhappilangad drive-in beach, Kannur

Golfing: Golf Club, Cochin International Airport Ltd, Trivandrum Golf Club and should you choose to hold your board meeting on the placid waters, then multi-deck houseboats are ready to host you.

If you want to know more about the tourism spots in any district of Kerala, you may contact the District Tourism Promotion Councils.

**Thiruvananthapuram**
District Tourism Promotion Council
Vellayambalam, Thiruvananthapuram
Tel: +91 471 2315397
E-mail: info@keralacapital.org
Website: www.keralacapital.org

**Kollam**
District Tourism Promotion Council
Guest House Complex, Asramam, Kollam
Tel: +91 474 2750170
E-mail: info@dtpckollam.com
Website: www.dtpckollam.com

**Alappuzha**
District Tourism Promotion Council
Boat Jetty Road Near KSRTC Bus Station
Alappuzha - 11
Tel: +91 477 2251796/2253308
E-mail: info@dtpcalappuzha.com
Website: www.dtpcalappuzha.com

**Pathanamthitta**
District Tourism Promotion Council
Collectorate, Pathanamthitta
Tel: +91 468 2229952
E-mail: info@dtpcpathanamthitta.com
Website: www.dtpcpathanamthitta.com
Kottayam
District Tourism Promotion Council
Kodimatha, Kottayam
Tel: +91 481 2560479
Email: info@dtpckottayam.com
Website: www.dtpckottayam.com

Idukki
District Tourism Promotion Council
Civil Station, Kuili Mala
Painavu P.O., Idukki
Tel: +91 4862 232248(HO)
Munnar: +91 4865 231516
Email: info@dtpcidukki.com
Website: www.dtpcidukki.com

Ernakulam
District Tourism Promotion Council
Old Collectorate Building, Park Avenue, Ernakulam
Tel: +91 484 2367334/2383988
Email: info@dtpcernakulam.com
Website: www.dtpcernakulam.com

Thrissur
District Tourism Promotion Council
Palace Road, Chembukkavu, Thrissur
Tel: +91 487 2320800
Email: info@dtpcthriissur.com
Website: www.dtpcthriissur.com

Palakkad
District Tourism Promotion Council
Near Children’s Park, Palakkad
Tel: +91 491 2538996
Email: info@dtpcpalakkad.com
Website: www.dtpcpalakkad.com

Malappuram
District Tourism Promotion Council
Uphill, Malappuram - 5
Tel: +91 483 2731504
Email: info@dtpcmalappuram.com
Website: www.dtpcmalappuram.com

Kozhikode
District Tourism Promotion Council
Mananchira, Kozhikode - 1
Tel: +91 495 2720012
Email: info@dtpckozhikode.com
Website: www.dtpckozhikode.com

Wayanad
District Tourism Promotion Council
Civil Station, North Kalpetta
Wayanad - 673122
Tel: +91 4936 202134
Email: info@dtpcwayanad.com
Website: www.dtpcwayanad.com

Kannur
District Tourism Promotion Council
Near Civil Station, Kannur
Tel: +91 497 2706336
Email: info@dtpckannur.com
Website: www.dtpckannur.com

Kasaragod
District Tourism Promotion Council
Vidya Nagar
Kasaragod – 671 123
Tel: +91 4994 256450
Email: info@dtpckasaragod.com
Website: www.dtpckasaragod.com
Finance & Capital Market
Kerala is home to five banks

State Bank Of Travancore
Tel: +91 0471-2351919 (Thiruvananthapuram)
Website:www.statebankoftravancore.com

The Federal Bank Ltd (Aluva)
Tel: +91-484-2624632
Website:www.federal-bank.com

South Indian Bank (Thrissur)
Tel: + 91-487-2420020, 2420020, 2420058, 2420113
Website:www.southindianbank.com

Dhanlaxmi Bank(Thrissur)
Tel: + 91-487-2335104/2335190/2335131/
2335177,6617000
Website:www.dhanbank.com

Catholic Syrian Bank (Thrissur)
Tel: +91-487 - 2333020, 2333277
Website:www.csb.co.in

Leading public sector banks

SBI Zonal Office
Kochi, Tel: +91 484-2338803

Canara Bank Zonal Office
Thiruvananthapuram, Tel: + 91-471-2316424

Punjab National Bank Zonal Office
Kochi, Tel: +91- 484-2380948

Union Bank Of India Zonal Office
Kochi, Tel: +91 484-2315427

Corporation Bank Zonal Office
Kochi, Tel: +91-484 2322616

Bank of Baroda Regional office
Kochi, Tel: +91-484 2372065

Bank of India Zonal office
Kochi, Tel: +91-484 2311355

Indian Bank Circle office
Kochi, Tel: +91-484 2359950

Investment avenues

The government of Kerala has identified 26 areas of growth for the Kerala economy. The selection of the 'Focus Areas' is based on the potential for growth, availability of enabling factors such as availability of raw material, human resource pool, marketing growth, export opportunities and availability of infrastructure facilities. While selecting the sector, the government has ensured that they would help enhance the State’s image as a developing knowledge economy and that the new investment would in no way harm the clean and green environment the State has.
26 Focus Sectors

1. IT and IT Enabled Services, Knowledge/Education sector.
2. Tourism.
3. Health Care services.
5. Trade and Retailing.
6. Food and Agro Processing and value addition.
7. Gems and Jewellery.
8. Rare Earth Minerals.
11. Electronics.
15. Urban Infrastructure development.
16. Infotainment.
17. Logistic Parks.
18. Petrochemicals.
20. Basic & Industrial Infrastructure development.
21. Airport infrastructure, Aeroplane & Helicopter services.
22. Water Transportation.
23. Centres of Excellence.
24. Infrastructure development (Road, Rail Power, Water Supply, Sewage).
25. MSME.

The State has already proved that it is a winner in several of these sectors, as companies have over a period of time recorded success in them. They also offer a faster rate of growth in the future. Such sectors have been designated as core sectors, which would act as the pillars of the State’s economy in the future. The Emerging Kerala Connect Program among others will focus on certain key sectors:

- IT & ITES, Knowledge/ Education
- Tourism
- Food & Agro Processing
- Ports, Shipbuilding & Logistics
- Healthcare Services
- Energy including Green Energy & Environment Technologies
- Science & Technology including Biotechnology, Nanotechnology & Life Sciences
- Infrastructure devpt including Urban Infrastructure (Power, Water, Urban Transportation, Waste Mgmt., etc)
- MSME
- Financial Services
Unmatched connectivity at economic rates, excellent human resource pool and a relaxed environment have made Kerala a dream destination for IT entrepreneurs to set up shop.

✓ Software development
✓ Back office operations
✓ Server farms
✓ Training for IT professionals
✓ Outsourcing
The Indian Scene

IT industry in India comprises software industry and information technology enabled services (ITES). The IT industry of India has registered huge growth in recent years: from $150 million in 1990-1991 to $50 billion in 2006-2007 and $76 billion by 2011. Despite the global economic crisis, the IT-BPO sector grew by 12% in 2008-09 to reach $71.7 billion in revenue (including hardware). Of this, software and services accounted for $59.6 billion. The top three IT companies, namely, Infosys, TCS and Wipro, saw revenue growth from all important sources of income. In the last ten years the Information Technology industry in India has grown at an average annual rate of 30 per cent. The industry is expected to cross $100 billion by 2011.

In terms of its share in GDP, revenue from the Information Technology sector has risen from 1.2% of GDP in 1997-98 to an estimated 5.8% of GDP in 2008-09. The sector’s share in total Indian exports increased from less than 4% in 1998 to almost 16% in 2008.

The Kerala scene

Kerala is poised for a boom in the IT industry sector and it has become a favourite IT destination. The State is home to more than 200 IT companies of varying size that employ close to 25,000 people and have clients across the globe. The significant growth in the sector is reflected in the fact that the total turnover of the companies operating in Technopark, Thiruvananthapuram has crossed ₹2000 crore in 2011-2012.

The Kerala advantage

Skilled workforce: Kerala has about 130 engineering colleges which produce more than 30,000 engineering graduates a year.

Infrastructure: Kerala pioneered the concept of dedicated infrastructure with the setting up of Technopark, Thiruvananthapuram. The Centre has notified Technopark Phase-3 and Technopark, Kollam as special economic zones besides the existing Technopark Phase I and II SEZs. Between them, they host as many as 200 companies. Infopark at Koratty has come into being and internationally well-known companies have moved in there attracted by the easiest bandwidth accessibility and other State-of-the-art facilities developed in the zone. Another four projects have been accorded SEZ status for IT industry. Technocity at Thiruvananthapuram, Infopark at Kochi and electronic hub at Kochi are also on the anvil.

All put together, there about 2000 acres of land under development at various stages, dedicated to host IT and ITES units across the State.

Unmatched connectivity: Every nook and corner of the State is connected by optical fibre cables. It has the unique distinction of hosting the landing points of two undersea cables.

Excellent ambience: Kerala will be a place executives would love to work from: it has the best tourist locations where they can unwind taking short holidays.
IT Organisations
The Kerala State IT Mission (www.keralaitmission.org) is the nodal agency for IT industry in Kerala while other organizations function as facilitators for the industry. They include:
Kerala State IT Infrastructure Ltd (KSITI)
Technopark
Infopark
Cyberpark
Indian Institute of Information Technology and Management-Kerala (IIITM-K)
Centre for Advanced Training in Free and Open Source Software

Incentives and concessions
Fixed Capital Investment subsidy subject to a limit of Rs. 15 lakhs for companies located in Thiruvananthapuram and Ernakulam districts. For companies located outside the districts of Thiruvananthapuram and Ernakulam, the applicable Standard Investment Subsidy will be 40% of Fixed Capital Investment, subject to a limit of ₹ 25 lakh.
Technology Development Fund: Grant will be made available for proposals for research & development in the area of IT as well as applications of electronics in various sectors. The total grant for a single proposal is limited to ₹ 5 lakh.

Licences and permits
An entrepreneur will have to get the following clearances before setting up a unit manufacturing electronics hardware:

Pollution control
Fire and safety
Building permit
Professional tax registration

Main Players
TCS
WIPRO
Infosys
US Technologies
Cognizant Technologies
IBS
India is opening up its education sector. Kerala, with a long standing history of quality education and exposure to global standards, an enlightened population and unique climatic conditions, will be the best place to anchor educational institutions.

Thrust areas: From pre-school to post-graduation. Engineering, medical and allied sciences, management, food technology, communication and media, animation and fashion design are areas in which specialised skill sets are required.
The Indian Scene

India is at the cusp of turning into a knowledge society. One of the world’s fastest economies would require people with skills of global standards to run it. And in turn, the world will look to acquire those skills. With an open and democratic system, India is all set to become an education hub. It has the world’s best brains and the best cultural diversity. It has successfully integrated its education system with the world; several Indian universities now run twinning with foreign universities.

The Kerala scene

Kerala, which had its tryst with the virtues of education as early as the nineteenth century, is an ideal location for setting up educational institutions of global standards. The private institutions compete with the government-run ones to prepare a skilled human resource pool that can make use of the opportunities of a global economy.

The Kerala advantage

Climate, topography: Kerala is one of the few States in India with excellent climatic conditions with no extreme weather. The State offers a range of idyllic locations to set up educational institutions.

Social infrastructure: Kerala is a very peaceful state with all sections working with unity of purpose for the greater common good. Its law and order record tops that of other States, as reflected in India Today selecting it the No 1 State in India on that count. Its healthcare facilities, offered by the government, co-operative and private sector institutions, are legendary.

Connectivity: From any part of Kerala, one can access an international airport in less than three hours of travel. Its road and rail connectivity is one of the best in India.

Acceptance of English: Kerala has a history of English education for the last two centuries. It is the business language of Kerala.

Presence of centres of excellence: Apart from the Indian Institute of Management, and the National Institute of Technology, the State also houses premier institutes such as Indian Institute of Space Science and Technology and Indian Institute of Science Education and Research. It also has dedicated universities such as Cochin University of Science and Technology and Kerala Medical and Allied Sciences University.

Other features: Excellent literacy rate and history of universal education* Population with exposure to modern education* Availability of human resource* Unmatched IT and banking infrastructure
That travellers prefer Kerala’s backwaters a shade more than the venerable Taj Mahal, according to a survey by National Geographic Society’s Center for Sustainable Destinations, is a pointer to the huge attraction the State holds for the globe-trotter.

- Resorts
- Hotels
- Convention centres
- Houseboats
- Adventure tourism
- Farm tourism
- Ecotourism
- Pilgrimage tourism
- Cultural tourism
- Homestays
The Indian Scene

National Geographic Traveller has selected Kerala as one of the 50 must-see destinations of a lifetime and one of the 13 paradises in the world. Kerala is also known for the tremendous pace with which it travelled the tourism space. In this rapid growth, Kerala has created some of the world’s best known properties and marketed some of its best offerings. The Kerala Tourism Mart, the biennial trade fair, today figures prominently on the global tourism trade circuit.

In 1985, the State made a total earnings of ₹ 600 crore from tourism; in 2011-12, it shot up to ₹ 17,000 crore. The State has recorded an average annual growth of 25 per cent in foreign tourist arrival since 1991.
The tourism sector in the State attracts more than ₹ 1,000 crore investment per year and provides employment to over 1.5 million people.

The opportunity

Resorts/Hotels
With the emergence of Kerala as the most preferred holiday destination for domestic and international tourists, the demand for world-class accommodation too is on the rise.
Hotels classified by Ministry of Tourism, Government of India, will be eligible for claiming 10 per cent State investment subsidy subject to a maximum of ₹ 10 lakh. Additional incentive of 15 per cent of the investment subject to a maximum of ₹ 5 lakhs, can be claimed for pollution control measures.
Restaurants approved by the Department of Tourism will be eligible for claiming 10% state investment subsidy subject to a maximum of ₹ 10 lakhs. An additional incentive of 15% of the investment, subject to a maximum of ₹ 5 lakhs, for pollution control measures.
The duly filled application form in the prescribed format available at the Department of Tourism along with application fee, prescribed clearances, NOCs, certificates etc. should be sent to the Director, Department of Tourism, Government of Kerala.

Vazhiyoram
The project seeks to provide travellers on the main roads with a quality break offering the perfect mix of restaurants, mini shopping centres, rest rooms, paid toilets and so on. Those entrepreneurs who have 10 to 20 cents of land along any of the major roads in Kerala can become a part of the Vazhiyoram project. The Petrol Bunks and existing restaurants too can partake in this project.

Incentives:
25% of construction cost subject to a maximum of ₹ 5 lakhs for approved projects
Additional incentive of ₹ 2 lakhs for adopting pollution control facilities, rain water harvesting, captive power generation and purchase of waste management equipment
Easy access to low interest loans.
Guidance and marketing support from the State Government

Houseboats
Backwater holidays of Kerala are increasingly becoming popular with domestic as well as international tourists. Cruising through the intricate web of rivers, lagoons, canals and lakes is the best way to catch glimpses of the beauty spot of Kerala and has been attracting hordes of visitors.
Incentives: Houseboats approved by the Department of Tourism under this scheme will be eligible for claiming 10 per cent State investment subsidy subject to a maximum of ₹ 10 lakh.
Farm tourism

Kerala has tremendous potential for developing Farm Tourism in a big way without much additional investment. About 3,50,000 lakh hectares of land under paddy cultivation can be converted into tourist attractions in order to transfer the benefits of tourism directly to the farmers. As a step towards this, Kerala Tourism has launched Green Farms Kerala, an exclusive venture that aims at preparing the farms/plantations in the State to receive tourists.

Incentives: An incentive to the tune of 25% for the additional specified facilities targeting exclusively at the tourists, subject to a maximum of ₹ 5.00 lakh. Subsidy will be given to the units only after the completion of the project and approval by a committee. Kerala Tourism will facilitate the farm/plantation owners in getting loans from commercial banks at the lowest rate. All units under Green Farms Kerala will be marketed by Kerala Tourism through the perfect mix of restaurants, mini shopping and be promoted through the Kerala Tourism website as well as the tourism trade fairs and road shows organised by the Department of Tourism from time to time.

Homestays

A concept that captures the essence of Kerala hospitality, Homestays give the visitors the feel of home miles away from home. More and more visitors are now opting for homestays as it gives the opportunity to be as close to the destination as possible.

Project requirements: The rooms should have a capacity ranging from 2 to 6 beds. There must be adequate sanitary fittings like lavatories/bathrooms with running water in each room. Rooms shall be properly ventilated, furnished and lighted. Fans or air conditioners shall be provided in all rooms. Minimum carpet area standards prescribed for bath/bedrooms shall be 50 sq.ft. per bed.

MICE tourism

Meetings, Incentives, Conferences and Exhibitions (MICE) mice is a high growth tourism segment in which large groups, usually planned in advance, are brought together for some particular purpose. Cochin is a forerunner in the area of MICE tourism.

Main Players
Le Meridien
Taj Hotels Ltd
The Bharat Hotels Ltd
Radisson Ltd
HEALTHCARE SERVICES

The opportunity

India is betting big on health tourism, and Kerala is best suited to play an anchor. Great international connectivity, salubrious climate, availability of highly skilled personnel with international experience, and great getaways make Kerala the anchor location for health tourism ventures. The development of Ayurveda as a reliable branch of alternative medicine is another unique advantage for Kerala.

- General and speciality hospitals
- Dental tourism
- Ayurveda
The Indian scene

Over 1.5 lakh medical tourists travelled to India in 2002, bringing in earnings of $300 million. Since then, the number of such travellers has been increasing by at least 25 per cent a year. A CII-McKinsey report projects that earnings through medical tourism would go up to $2 billion by 2012. The Planning Commission estimates that a heart bypass surgery costs $6,000 in India while it is $7,894 in Thailand, $10,417 in Singapore, $23,938 in the US and $19,700 in Britain, giving India an advantage.

Besides lower costs, Indian hospitals offer global facilities and latest medical technologies administered by Indian doctors and nurses. This is not all: all the major players such as airlines, hotels and tour operators have already started incentivizing health tourism by offering free travel for spouse or an extra day’s stay at a hotel.

The Kerala scene

Kerala being one of the most connected Indian States is poised to make it big on the health tourism sector. There are several hospitals across the State, especially in Thiruvananthapuram, Kochi and Kozhikode which maintain international standards in infrastructure, state-of-the-art equipment and healthcare attracting foreign patients. The State has pioneering institutions in dental tourism which attracts patients across the globe. The State also hosts some of the first hospitals which have gone in for accreditation by the National Accreditation Board for Hospitals and Healthcare Providers.

The Kerala advantage

Connectivity: The international airports and exceptional internal road connectivity makes even villages accessible for international health tourist.
Weather, tourism spots: Kerala with no extreme weather conditions offers a unique destination for health tourists. The six-month long monsoon season and the presence of great holiday destinations make the State an ideal place for rest and recuperation.

Licences, permits

Hospitals need licences and permits granted by the local government, district medical officer and the Pollution Control Board.

Ayurveda

Kerala’s USP in health tourism is the practice of authentic Ayurveda. Most reputed Ayurveda institutions are rooted in Kerala where it has a strong presence in the healthcare of people. Unlike in the past, entrepreneurs are setting up world class facilities in Kerala offering both curative and rejuvenative remedies based on Ayurvedic formulations. While the recent interest in Ayurveda is primarily due to its rejuvenation packages, people slowly realize its effectiveness in offering cure for chronic health conditions such as diabetes, rheumatoid arthritis, psoriasis, mental diseases, eye diseases, fistula, obesity and life-style diseases such as spondylosis.
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The Government of Kerala has put in place a certification scheme for providers of Ayurveda healthcare services. Institutions will be granted ‘Olive Leaf’ and ‘Green Leaf’ certifications based on the facilities on the premises, availability of qualified professionals, infrastructure etc.

Details of the certification norms are available at [www.keralatourism.org]
Incentives: Ayurveda centres, which have been classified/approved by the Government of Kerala, will be eligible for financial concessions/incentives which includes investment subsidy up to 10 per cent subject to a maximum of ₹10 lakh. They are also eligible for concession in electricity charges.

Details of accreditation standards for hospitals is available at http://qcin.org/nabh/hospital_accre/document.php
The Quality Council of India has brought out a guide for the easy comprehension and correct implementation of NABH Standards on Hospital accreditation. It can be had from the Council office in Delhi [www.qcin.org] on payment of ₹2000.

The QCI has also introduced accreditation standards for hospitals in Ayurveda, Unani, Siddha and Homoeopathy branches.
http://qcin.org/nabh/iapah/
The developed world’s food basket consists of 80 per cent of processed food, while the share is only 1.3 per cent in India.

- Sea food
- Cashew
- Processed fruits and vegetables
- Animal products including dairy and processed meat
- Processed food including snacks
- Ethnic foods
- Jaggery and confectionary
- Cocoa products
- Cereal preparations
- Bakery products
- Alcoholic beverages
- Milled products
The Indian Scene

The processed food sector in India is like an elephant running at the speed of a tiger: huge size, fast rate of growth. With a market size of $135 billion (₹ 6,70,000 crore), it has almost doubled its size in the last five years. The sector is following the patterns of developed nations where growth of the economy promoted the market for processed food.

India is the world’s second largest producer of food, next to China. India, with the largest livestock population (50 per cent of total buffaloes, 20 per cent of cattle), converts only 1 per cent of meat into value added products.

The market

72 per cent of food consumption in the world is through organised setup whereas it is 1 per cent in India.

An estimated 35 per cent of fruits & vegetables is wasted in India.

The Government of India has set a target of raising the share of processed food in the total food basket to 10 per cent in 2015 and 25 per cent in 2025, from the present 1.3 per cent.

Vision 2015 of the Government of India targets:

What, in a nutshell, is Vision 2015?

To invest ₹ 1,10,000 crore ($ 25.07 billion)

To raise the share of processed food in the total food basket from the present 1.3 to 10 per cent in 2015. It will be further raised to 25 per cent by 2025.

To increase the value of exports to ₹ 1,20,000 crore, up 33 per cent from the 2006-07 figures.

<table>
<thead>
<tr>
<th>Year</th>
<th>Indian market</th>
<th>Exports</th>
</tr>
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<tbody>
<tr>
<td>2002</td>
<td>$35 billion</td>
<td>$6.98 billion</td>
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<tr>
<td>2007</td>
<td>$70 billion</td>
<td>$20.51 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$130 billion</td>
<td>$9.59 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in global food trade (%)</th>
<th>Processing of perishable food</th>
<th>Value addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.6</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>2015</td>
<td>10%</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>2025</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Vision 2015 document of MFPI)
The Kerala scene

Kerala has a history of spicing up the world’s cuisines: fables have King Solomon’s trade agents collecting pepper and other spices from Kochi. That was about 3000 years ago.

Today, Kerala’s food processing industry serves two markets: the fast emerging domestic market and the steady-growing export market.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (MT)</th>
<th>% share of Kerala</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>6092</td>
<td>19</td>
</tr>
<tr>
<td>2004-05</td>
<td>6647</td>
<td>19</td>
</tr>
<tr>
<td>2005-06</td>
<td>7245</td>
<td>19</td>
</tr>
<tr>
<td>2006-07</td>
<td>8364</td>
<td>18</td>
</tr>
</tbody>
</table>

Export Destinations: Middle East countries, US, Europe, Australia, Japan

Government’s industrial policy seeks to “convert Kerala into a favoured destination for Agro Processing.”

The Kerala advantage

Very good record of health and hygiene
Availability of raw materials, especially spices and sea food
Availability of skilled and trained man power
Availability of high quality water and power
Very active local market
A vibrant retail chain
Successful track record of existing players
A very large expatriate community, ensuring a captive market abroad

Infrastructure

3 Food Parks (Kozhikode, Ernakulam, Pathanamthitta districts),
Seafood Park in Alappuzha district
Incubation Centre at Kakkancherry, Kozhikode
Proposed Food Parks
Mega Food Park, Wayanad
Spices Park, Idukki
Quality Control Laboratories: 2
Regional Quality Control Laboratory under implementation

For Export

Centre for Perishable Cargo at Kochi
International Airport
International Container Transshipment Terminal at Vallarpadam, Kochi
**Single Window Clearance System**

The Single Window Clearance System ensures that an entrepreneur, once he submits a composite application form to one designated contact point will get the final clearance within a specific period from the date of submission of application.

State level nodal agency for Single Window Clearance System:
Kerala State Industrial Development Corporation Ltd.
Keston Road, Kowdiar, Thiruvananthapuram. Kerala - 695 003 India
Phone: +91-471-2318922 Fax: 2315893 E-mail: info@ksidc.org

Agriculture Export Zone
Agriculture export zones promote a particular produce/product located in a contiguous area for the purpose of developing and sourcing the raw materials, their processing/packaging, leading to final exports. The benefits under Export Promotion Capital Goods Scheme are available to exporters in the AEZs.

Kerala has two AEZs. One for horticulture products, spread over Thrissur, Ernakulam, Kottayam, Alappuzha, Pathanamthitta, Kollam, Thiruvananthapuram, Idukki and Palakkad districts. The second, for Medicinal Plant, is spread over Wayanad, Malappuram, Palakkad, Thrissur, Ernakulam, Idukki, Kollam, Pathanamthitta, & Thiruvananthapuram districts.

**Nodal agency**

Kerala Industrial Infrastructure Development Corporation (Kinfra) is the nodal agency for the promotion of food processing industry in Kerala.

**Kerala Industrial Infrastructure Development Corporation.**
Kinfra House, T C No.14/1026,
Vellayambalam. Thiruvananthapuram- 695 010
Tel : +91- 471-324285 Fax : 91- 471-324473
E-mail: kinfra@vsnl.com www.kinfra.com

**Consultants**

National Centre HACCP Certification
Kerala Bureau of Industrial Promotion
Kurup’s Lane, Sasthamangalam,
Thiruvananthapuram-695010.
Tel : +91-0471-2311882.
E-mail: bureau@vsnl.com

For Organic Certification
IndoCert
Thottumugham, P.O. Aluva-683 105, Kochi
Telefax:+91-0484-2630908-09/2620943
www.indocert.org

**Central Government’s aid agencies**

Ministry of Food Processing Industries
The Agricultural and Processed Food Products Export Development Authority (APEDA)
National Horticulture Board
State Government Incentives

- Investment subsidy at the rate of 15 per cent of fixed capital investment subject to a ceiling of ₹ 15 lakh.
- Subsidy up to 50 per cent of the cost of capital equipments used in pollution control, effluent treatment and other allied functions, subject to a maximum of ₹ 25 lakh.
- Special incentives package/facilities to large investments of ₹ 100 crore or more.

APEDA schemes for financial assistance

- Market Development
- Infrastructure Development
- Quality Development
- Research and Development
- Infrastructure development
- Technology upgradation/ establishment/
- modernization of food processing industries.
- Human resource development Quality assurance, R&D, codex, bar coding
- Establishment of laboratories.

Government Subsidy Guidelines

- Cold storage for non-horticulture produce: 25% of the total cost of plant, max: ₹ 75 lakh
- Integrated cold chain facility: 25% of the total cost of plant max ₹ 2 crore
- Packaging centres: 25% of the project cost max: ₹ 4 crore
- Grant covers common facilities like common processing/packaging, cold storage, food testing and analysis lab, effluent treatment plant, power, water etc
- Value added centre: 25% of the total cost of plant max. ₹ 4 crore
- Modernized Abattoir: 25% of the total cost of plant max: ₹ 5 crore

Licencing

No industrial license is required for the food & agro processing industries except alcoholic drinks and items reserved for small scale sector (pickles & chutneys, bread, confectionery (excluding chocolate, toffees, chewing-gum etc.)

FDI norms

- Up to 100 per cent under the automatic route in the food infrastructure (food park, cold chain/warehousing).
- Up to 100 per cent under the automatic route for distillation & brewing of alcohol
- Up to 24 per cent in SSI sector
- Retail: Only for Single Brand Product Retailing.
- Tax structure
- Zero import duty on capital goods and raw material for 100 per cent export-oriented units. Central excise duty on meat, poultry and fish is just 8 per cent.
- Units in EPZ/FTZ and 100 per cent export oriented units can retain 50 per cent of foreign exchange receipts in foreign currency accounts.
- 50 per cent of the production of EPZ/FTZ and 100 per cent in EOU units is saleable in domestic tariff area.
- Low customs duties rates for plant & equipment, raw materials and intermediates, especially for export production.
- Many processed food items are totally exempt from excise duty.
- All profits from export sales are completely free from corporate taxes. Profits from such exports are also exempt from Minimum Alternate Tax (MAT).
Income tax rebate
100 per cent of profits for 5 years and 25 per cent of profits for the next 5 years for new industries in fruits and vegetables.

R&D Centres
Central Food Technological Research Institute [CFTRI], Mysore
Defence Food Research Laboratory [DFRL], Mysore
Indian Institute of Crop Processing Technology, Tanjore
National Research Development Corporation [NRDC], New Delhi
International Crops Research Institute for the Semi-Arid Tropics [ICRISAT], Hyderabad
Rajiv Gandhi Centre for Biotechnology,
Thiruvananthapuram

For registration
Agricultural Products Export Development Authority (APEDA),
NCUI Building, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016
Tel : +91-11-26513204, 26514572, 26534186
www.apeda.com

Promotional agencies
Central Food Technological Research Institute [CFTRI]
Central Institute of Fisheries Technology, Kochi
Defence Food Research Laboratory [DFRL], Mysore
National Research and Development Centre, New Delhi
National Cooperative Development Corporation, New Delhi
Cashew Export Promotion Council, Kochi
Coffee Board, Bangalore
Marine Product Export Development Authority, Kochi
National Dairy Development Board, Anand
Spices Board, Kochi
Tea Board, Kolkata
Indian Council of Agriculture Research, New Delhi
National Co-operative Development Corporation [NCDC], New Delhi

Investment size
Medium and large ■ Small scale ■ Other projects

Point of contact
State level board ■ District level board ■ Industrial Area Board

Maximum time
45 days ■ 60 days ■ 30 days

Main Players
Britannia
Nut King
Accelerated Freeze Drying Company Ltd.
Kerala is the largest producer of several agricultural products such as rubber and spices. Value-added products made of such materials have niche markets.

- Rubber-based industries
- Spices
- Neutraceuticals
- Agri-technology
- Agri-biotechnology
- Oleoresin
The Indian scene

Agriculture accounts for 18.5 per cent of India’s gross domestic product, and agriculture and allied sectors grew more than 4 per cent in 2006–07 and 2007–08. India is the largest producer of natural rubber, coconuts, mangoes, bananas, milk and dairy products, cashew nuts, pulses, ginger, turmeric and black pepper. It is also the second largest producer of rice, wheat, sugar, cotton, fruits and vegetables.

India is expected to spend around $14.05 million for the development of organic spices by 2012, particularly on turmeric, chilli, and ginger. In 2008-09, agriculture credit flow stood at $ 59.3 billion.

Agri-biotech is another booming segment. According to a Rabobank report, the agri-biotech sector in India has been growing at a whopping 30 per cent for the last five years, and it is likely to sustain the growth in the future as well.

According to official data, India exported about 17.5 million tonnes of agricultural and processed foods worth about $6.39 billion in 2007–08 against 10.9 million tonne valued at about $ 4.37 billion in the previous year. Agri-export turnover is set to rise from $ 9 billion to nearly $ 18 billion by 2014.

**Latex-based products:** Tyres and tubes, conveyor belts, foam rubber products, fibre foam products, latex-dipped products, condoms, speciality hoses, parts such as washers.

**Rubber wood-based products:** Office and home furniture, wood panels and products for interior decoration.

**Spices:** From time immemorial, Kerala has been a unique storehouse of spices such as cardamom, pepper, turmeric, arecanut and other hill products. The business was centered around the trade of whole spices, most of the time. However, Kerala has of late started producing value-added food ingredients such as spice oleoresins and natural colouring agents, and global food giants such as Nestle shop in Kerala for their requirements. With the global demand for spice oleoresin and natural colours increasing, Kerala offers a perfect setting for entrepreneurs to set up manufacturing units.

**Neutraceuticals:** Neutraceuticals are dietary supplements such as vitamins, minerals, herbs or other botanicals, amino acids, and substances such as enzymes, organ tissues, glandulars, and metabolites which are generally used to fill nutritional deficiencies in food and to prevent diseases. The ₹ 4,500 crore (appx. $1 billion) nutritional supplement market in India is expected to more than double by 2013, according to a study by Earnst & Young and FICCI. The US neutraceuticals market is $91 billion. Kerala, which grows a variety of spices, vegetables and grain, can assure raw material supply for the neutraceutical industry.

**Spices park:** The government is setting up a spices park in Idukki district. It will offer facilities for cleaning, grading, processing and packing various spices.

**Agricultural technology, agri-biotechnology:** The farming community in Kerala is one of the most educated groups in the country with exposure to the best global practices. With natural resources being stretched, and demands for judicious use of pesticides and chemical supplements increasing, there is demand for better technology to increase farm output.

**Government initiatives**

Services related to agro and allied sectors have been thrown open to 100 per cent foreign direct investment through the automatic route.

**NABARD initiatives** to build marketing infrastructure in rural belts.

**Main Players**

- TATA Tea
- AVT Group
- Marico
- Synthite
The Indian scene
Level of containerisation expected to increase significantly over current levels of 15 per cent
Containerised cargo is expected to grow at 17.3 per cent over the next 9 years
Cargo handling at minor ports grows at a faster rate of 8.5 per cent compared to 7.4 per cent for the major ports

The Kerala scene
Kerala has a coastline of around 590 km and has 17 intermediate and minor ports, apart from the major port of Cochin. It also hosts the Vallarpadam ICTT.
The long coastline offers immense potential for setting up a vibrant port sector in the State. The projects on offer are:

Vizhinjam Deep Water Container Transshipment Terminal

The project is to build a mega transshipment hub catering to all types of vessels including Super Post Panamax Vessels & Mega Container Carriers at Vizhinjam, 16 km south of Thiruvananthapuram. Other related infrastructure facilities planned are container stackyard, container freight stations, floating crafts communication systems, berth/container yard equipment and rail and road linkages.
Water depth of 16 metres (to be increased to 18.7 metres) in a phased manner, at berth, would allow vessel sizes up to 12000 TEUs. The initial project cost enveloping state-of-the-art facilities and equipment is estimated to be ₹ 2,390 crore (approx $580 million)
The government of Kerala has formed Vizhinjam International Seaport Ltd., a special purpose vehicle, for the execution of the project. Detailed traffic assessment study as well as a container shipment economic study have established the viability of the project. This is buoyed by the growth in international container trade and growth in container traffic in India at a CAGR of 14 per cent during the last decade. These developments would call for terminals where large-sized vessels can berth.

For details:
Chief Executive officer,
Vizhinjam International Seaport Ltd.,
Level 5, 3rd Floor, Trans Towers, Vazhuthacaud,
Thiruvananthapuram 695 014  Kerala, India
Tel: +91 471 2318616, 6542684
Fax: +91 471 2318616.
E-mail: ceo@vizport.org
Website : www.vizport.org
Project Advisors: International Finance Corporation

Minor ports
Kerala has 17 minor ports, some of which have been in disuse for years. The government, as part of a long-term coastal shipping project, has decided to develop seven of these: Vizhinjam, Kollam, Alappuzha, Kodungallur, Beypore, Ponnani and Azhikkal.
Port policy
The policy seeks to:
Make Kerala one of the top three maritime States in terms of cargo movement by 2014.
Establish an efficient and commercially viable water transport system. This will be achieved by carrying out a coordinated development of multi-purpose ports, transshipment hubs, inland waterways, coastal shipping, inland terminals, cargo handling and storage facilities, railways and road linkages.
Promote port-based and marine industries.
Encourage private sector participation in ports, support services and other infrastructure facilities.

Central government incentives
100 per cent FDI under the automatic route for port development projects
100 per cent income tax exemption for a period of 10 years
A comprehensive National Maritime Development Policy has been formulated to facilitate private investment, improve service quality and promote competitiveness
The opportunity

Kerala has an enviable record in building industrial infrastructure. However, to fully realise its development potential, the State has designed several new mega projects.

- Kochi – Palakkad NIMZ
- Petroleum, Chemicals and Petrochemical Investment Region at Kochi
- International Airport at Kannur
- Container Transshipment Terminal at Vizhinjam
- SEZs
- Gas-based Power Projects
- Convention Centres
- Electronic Hub
The Indian scene

India is waking up. Set to become the world’s second largest economy by 2050 in terms of purchase power parity, India has started its big journey by concentrating on the infrastructure. Roads, Ports, Airports, Power, Telecom and Urban Infrastructure get prominence in the governmental agenda like never before. Figures tell the story better

Airports

Air travel industry in India is set to benefit from the growth of the Indian economy which bucked the global recession.

Vision 2020 envisages creating infrastructure to handle 280 million passengers by 2020

Investment opportunities of $110 billion envisaged up to 2020, out of which $30 billion in development of airport infrastructure

Associated areas like MRO and training offer high investment potential

India’s investment in infrastructure

- $217.86 billion
  - 10th plan
  - (2002-07)
- $498 billion
  - 11th plan
  - (2007-2012)
- $1000 billion
  - 12th plan
  - (2012-2017)

Projected

The Kerala scene

Kerala took a pioneering role in attracting private investments in building green fields when it built the highly successful Cochin International Airport. The large non-resident community, the increased attention Kerala has drawn as a tourist destination and booming industrial activity together call for more air connectivity for the State.

Kannur International Airport

The fourth international airport in Kerala will come up at Mattannur in Kannur. The Government of Kerala has set up Kannur International Airport Limited, a special purpose vehicle, for the development of the green field airport. The project, which received ‘in principle’ clearance from the Ministry of Civil Aviation in February 2008, will be built over 2000 acres of land and will have a single runway, to begin with.

The company has already acquired 652 acres as on 17 December 2009, out of 1284 acres notified. Notification for additional land of 783 acres has been published. Three fast-track land acquisition units are on the job.
Government Policy
100 per cent FDI is permissible for airports.
FIPB approval required for FDI beyond 74 per cent.
100 per cent FDI under automatic route is permissible for greenfield airports.
Private developers allowed to setup captive airstrips and general airports 150 km away from an existing airport.
100 per cent tax exemption for airport projects for a period of 10 years.
49 per cent FDI is permissible in domestic airlines under the automatic route, but not by foreign airline companies.
100 per cent equity ownership by Non-Resident Indians (NRIs) is permitted.
74 per cent FDI permissible in cargo and non-scheduled airlines.

Special Economic Zone
Kerala has 24 Special Economic Zones, of which nine have already been notified. Most SEZs are in various stages of implementation and offer investment opportunities for infrastructure developers.
The notified SEZ are:

1. Technopark Phase II (www.technopark.org)
2. Kinfra SEZ for Animation and Gaming (www.kinfra.org)
3. Kinfra Food processing park, Kakkanchery, Malappuram (www.kinfra.org)
4. Kinfra Hitech park, Kalamassery, Kochi (www.kinfra.org)
5. Kinfra Biotechnology park, Kalamassery, Kochi (www.kinfra.org)
7. Kerala State Information technology, Infrastructure Limited, Eramam, Kannur district (www.itmission.kerala.gov.in)
   Kerala State Information technology, Infrastructure Limited, Mulavana, Kollam (www.itmission.kerala.gov.in)
9. Carborandum Universal, Kochi (Solar photo-voltaic)

Apart from these, the Cochin Port Trust is setting up port-based SEZs in Puthuvypeen (285.84 hectares) and Vallarpadam (115.25 ha). The first one will be close to the ICTT at Vallarpadam while the second one will be near the LNG re-gassification terminal of Petronet LNG. The SEZs will host modern industrial cluster, logistic park, free trade and warehousing zone.
Power
The State is planning to set up two power projects: a 1200 MW gas based project at Cheemeni in Kasaragod district and a 1200 MW gas-based project in Kochi.

Energy including green energy
At present, the big chunk of the power produced in Kerala comes from hydel projects. Idukki arch dam with an installed capacity of 780 MW is the main contributor to the grid. However, given its commitment to environmental sustainability, the State government is actively pursuing other means of power production.

The 5 mmtpa LNG terminal, scheduled to be operational in 2013, is all set to fuel power production in the State by alternative means. Projects

The Department of Power and UNIDO have identified about 400 sites across the State suitable for small hydro projects, with a total capacity of 1000 MW. The government is encouraging the private sector to set up hydel projects with installed capacity of up to 5 MW.

It is estimated that Kerala has a wind energy potential of 605 MW from 17 sites. The solar potential is as high as 14,346 MW while the rooftop solar potential is 6,187 MW.

Biomass gasification, which has been tested successfully in industrial areas has a potential capacity to generate 697 MW.
Bio-Technology, Nano Technology & other sunrise sectors

Kerala is a land of biodiversity. It hosts the Western Ghat, one of the 25 biodiversity hotspots in the world. It has got over 5,000 species of flowering plants, 139 mammal species, 508 bird species and 179 amphibian species. A minimum of 325 globally threatened species occur in the Western Ghats. Biological sources are important as various industrial materials like fibers, dyes, rubber and oil are derived from them.

The industrial policy of the State seeks to set up a State-Level Task Force to coordinate the efforts of the Department of Industries and other developmental agencies and R&D centres for the integral development of Biotechnology, Nanotechnology and other knowledge industries in the State.

The State has already established its presence in the frontiers of biotechnology with the setting up of the Rajiv Gandhi Centre for Biotechnology, Thiruvananthapuram and the Tropical Botanical garden and Research Institute, Palode, Thiruvananthapuram.
As per the industrial policy of the State, KSIDC is setting up a world class Life Sciences Park in Thiruvananthapuram to attract FDI in pharmaceuticals, medical devices, biotechnology, nanotechnology etc., especially in core activities like manufacturing, R&D and clinical development.

The State has also taken some decisive steps to encourage research and industrial adaptation of advancing sciences such as nanotechnology. The University of Kerala has set up a Centre for Nanoscience and Nanotechnology. It offers academic programmes in Nanoscience and Nanotechnology and is in the process of establishing state-of-the-art laboratories for research in the area of Nanoscience and Nanotechnology, in-depth research work and thereby generation of manpower in this area.

**Water Technologies**

Kerala is one of the few water-rich States in India, receiving an average annual rainfall of 3000 mm. However, the State is yet to scientifically explore the full potential of the key natural resource for human, and agricultural and industrial purposes. As a result, despite its water richness, several parts of the State face acute shortage of water during the summer. The coastal areas of the State are the worst affected.

This, coupled with fears of climate change, is set to worsen the unpredictability of water supply in coming years forcing the government to think of better management of water resources.

The State Government is planning to set up demand-driven participatory water supply projects which together entails an investment of Rs 1000 crore. They include desalination plants, automation of water pipelines and canals, conservation and recharging of rain water, rainwater harvesting, wastewater recycling and water purification.

* Guidelines issued by the government of India on joint ventures in infrastructure projects

* Guidelines on the formulation, appraisal and approval of public private partnership projects

* Guidelines on financial support to public Private Partnerships in Infrastructure

* Details on the scheme for financing infrastructure through India Infrastructure Finance Company

* Guidelines on Marketing Development Assistance Scheme

[http://www.infrastructure.gov.in](http://www.infrastructure.gov.in)
[http://www.investmentcommission.in](http://www.investmentcommission.in)
The Micro, Small and Medium Enterprises (MSME) sector contributes to the process of economic growth, employment generation and balanced regional development. It has the potential to emerge as a strong, vibrant and globally competitive sector in the State’s economy.

Kerala, with its excellent connectivity, communication network and availability of human resources is best suited for the growth of the micro, small and medium scale enterprises. The availability of infrastructure, including industrial clusters, is a unique offering Kerala has for the sector. The State has identified about 75 SME clusters and they are at different stages of development. Central Government agencies like Coir Board, SISI, and NGOs like Federation of Industrial Clusters etc. are also taking initiative in Cluster Development.

The potential of IT industry in the MSME sector is big as the state offers best connectivity with broadband reach in almost all parts of the State. It is estimated that the share of Tier-III cities in the IT industry in India is expected to grow up from 10 per cent now to 80 per cent. Consultancy firm KPMG has suggested that the State can become an economic growth driver of the country by tapping its SME and IT sectors.
Core sectors ideal for investment are food processing, light engg., latex based industries, spices processing, petrochemical based industries, toys etc.

**Advantage Kerala**

*100% literate workforce*
*A large pool of MSMEs*
*The vast resource base with excellent output*
*Industry specific clusters*
*Excellent banking network*
*Easy access to global markets through airports and the ICTT*
*Healthy, hygienic environment*
Banking and Financial Services is yet another area for innovative investments. The groundwork has already been completed with the wide penetration of equity culture amongst a large section of the people and concepts like futures trade in commodities.

- Banks
- Asset management companies
- Stock broking companies
- Portfolio management service
- Back office operations
- Venture Capital Funds
The investment Kerala made in education and health in the past has started paying dividends now. It has produced a generation of people that creates wealth at home and abroad. Financial institutions that come up with imaginative products would find Kerala a fertile land to grow.

Kerala’s health indices are legendary, but seldom does the health of its basic financial services system get its due. It has a robust and savvy banking system which involves multinational banks, nationalised banks, private scheduled banks and new generation banks. But unlike most other States, Kerala has a very strong, legal and regulated financial market that serve people at the mass level, often people below the pyramid.

The Kerala advantage
Kerala has a human development index that matches that of developed nations, a very strong network of financial intermediaries, a highly educated customer base and near-total financial inclusion. Its NRI remittances are one of the highest in India. The State is making a quantum jump in terms of industrial infrastructure and is witnessing a revolution in manufacturing and services sectors. Imaginative intervention by financial institutions can catapult the State to the league of the developed world in terms of economic indices as well. The co-operative banks: Kerala has a strong network of co-operative banks. At the top is an apex State Cooperative Bank with branches in every district. District Co-operative banks with several branches and primary cooperative banks make up the rest of the system. These banks can match most other banks in terms of service, technology and products. Together, they do a business of more than ₹ 1 lakh crore a year.

Non-banking financial companies: India’s biggest gold loan companies have their home in Kerala. Operating strictly in the regulatory framework, these NBFCs meet the banking needs of the masses at the bottom of the pyramid in a most legal and healthy way. The top three players together do a business of close to ₹ 1 lakh crore a year.

Chit funds: This unique form of accumulating small savings is another regulated financial intermediary.

Micro-finance companies: Kudumbashree, India’s largest apex body of self-help group of women, is also a micro finance company with an annual banking business of ₹ 600 crore. There are other such groups with varied sizes, serving their target groups.

Stock broking companies, portfolio managers: Kerala is home to some of the most reputed stock-broking and portfolio management companies. Together they operate as many as 1200 branches, most of them in the towns and villages. The leading player, Geojith Paribas, alone claims a customer base of 5 lakh, spread across Kerala and the Middle East. These institutions thrive on vibrant economic activity which includes manufacturing, service and agriculture. There are certain unique features that helped the sector grow:

NRI remittances: NRI remittance for the year 2008-09 was ₹ 31,585 crore, up 28 per cent from the previous year’s figure. This influx virtually makes the geographical boundary of operations cross the boundaries and extend itself to the Middle East. When you bank in Kerala, your reach extends to the Middle East as well.

Well-informed population: With the high reach of the electronic as well as print media, the people in Kerala are well aware of the new products and services offered in the financial sector.

Unmatched connectivity: Every nook and cranny of the State is connected by optical fibre cables, which helps make transactions easy and fast.

Human resource pool: Kerala has more than 30 colleges which offer courses in post-graduate degree/diploma in business management. These include the Indian Institute of Management Kozhikode and the management institutes run by various universities, and private colleges.

Excellent getaways for executives: Kerala will be a place executives would love to work from: it has the best tourist locations where they can unwind taking short holidays.
POLICY INITIATIVES

Industrial & Commercial Policy
FDI Norms
Incentives & Concessions
Government Agencies
How to Start an Industry in Kerala (Licences, Permissions, Approvals)
Single Window Clearance
Emerging Kerala
Government policies

The government of Kerala is working towards transforming the state into an enterprising society. It has put in place a policy framework which facilitates investments and encourages entrepreneurship.

Industrial & Commercial Policy

The policy seeks to promote Kerala as a prime destination for industrial investment. It plans to:
- Revamp Kerala into an entrepreneurial State by encouraging private investment in all sectors
- Improve the State infrastructure through PPP mode
- Promote more industrial clusters in the State
- Augment services & commerce sector for employment generation
- Develop quality industrial infrastructure with participation of NRKs, NRIs, FDI and domestic investment
- Introduce skill training & entrepreneurship development programme in a mission mode

IT Policy

The new IT Policy targets to:
- Develop the State as a role model to utilise ICT for governance
- Use IT as a key component in the development agenda of the State
- Create a knowledge-based economy
- Position Kerala as the most preferred IT/ITES investment destination
- Continue the fiscal incentives for IT Parks and Development Centres

The SEZ Policy

The proposed SEZ policy envisages to:
- Earmark 50% of land for developing process area and remaining for non-processing area, in line with the SEZ Policy of GoI
- Exempt from State & local body taxes and levies like sales tax, VAT, entry tax etc.
- Exempt from paying stamp duty & registration fee for transactions involving land or built-up area
- Ensure uninterrupted quality power & water supply by the SEZ Developer
- Rationalise labour laws
- Declare the government as the Local Authority, in place of the existing Panchayat/Municipality in the region
- Make the Single Window Clearance Act applicable to SEZs in the State

Industrial & Commercial Policy

VISION

To achieve high and sustainable economic growth, with specific thrust to social objectives, through rapid industrialisation and big leap in commercial activities, without affecting ecology and environment and to create large-scale employment opportunities for the people of Kerala and ensuring them fair wages and to convert Kerala into an investment friendly destination.
Objectives
The policy seeks to:
Convert Kerala into a favoured destination for manufacturing, agro processing, health services, knowledge-based industries and services.
Make traditional industries competitive by modernisation, value addition and skill development.
Promote and support MSMEs as an ancillary to large scale industries as well as a self-sustaining entity.
Equip the State to harness the industrial and commercial potentials to be opened up with the commissioning of Vallarpadam International Container Terminal, Vizhinjam Deep Sea Port and the Petronet L.N.G. Terminal.
Attract huge capital investment on mutually beneficial terms.
Tap the rich industrial potential of biotechnology.
Accelerate growth in service sector and to make Kerala a major commercial hub.

Investment promotion
The government encourages all sorts of investments on mutually beneficial terms which will positively contribute to the growth of economy, employment generation and increase in tax revenue.
The government shall firmly deal with any illegal and restrictive practices by any agency that may adversely affect the growth of industry, trade, commerce and investment.

The government will be organising major trade shows and promotional events and will participate in major trade fairs and expositions in India and abroad.
The Industries Department will act as the Industrial Promotion Agency and the department/officials will ensure speedy clearances/licences for establishment of industry.
KSIDC will be the nodal agency for promotion of investment in industrial and related sectors with an investment of ₹ 5 crores and above.

STRATEGY
The government plans to achieve its objectives by:
Setting up new industrial parks dedicated to textiles, agro-processing, electronics, information and communication technology.
Ensuring uninterrupted quality power to industries.
Taking effective steps to ensure uninterrupted supply of industrial water.
Establishing an Electronic Hub to promote, sustain and strengthen industries in the electronics and allied fields.
Providing necessary infrastructure to attract investors in biotechnology industries.
Setting up Industrial Corridors and promote Cluster Development in selected sectors and in potential locations.
Developing sustainable mechanisms to have continuous interaction with industry associations and trade bodies to assimilate the state of Industries and Commerce for providing necessary Governmental assistance and to take appropriate remedial measures.
Facilitating round-the-clock construction work of new projects on three shifts to minimize gestation period of projects.
Constituting industrial relations committees to avoid interruption of work of new projects due to labour disputes.
INFRASTRUCTURE DEVELOPMENT

The Government intends to:
Give topmost priority to develop world-class infrastructure facilities to attract massive investments in manufacturing and service sectors.
Constitute a Land Data Bank for disseminating information to the prospective entrepreneurs regarding availability, nature, area, value and other pertinent details of the land available for various projects/services.
Develop highways, approach roads and bridges at par with the international standards.
Develop world-class inland waterways and minor ports.
Develop major industrial water supply projects, power supply projects, sewerage and effluent treatment plants etc., in industrial areas.
Set up exclusive Industrial Parks for NRI investors.
Industrial Establishments located in urban areas will be provided with the added facility to shift to other areas.

TRADITIONAL SECTORS

TEXTILE SECTOR
To promote garment manufacturing as a thrust area through specific schemes and packages, skill up-gradation and market development.
To design special projects for technology up-gradation of power-loom and encourage homestead production.
To extend clustering facilities to achieve highest level of production.
Fish Processing
To promote technology-based value addition process and encourage diversification.

AGRO-BASED INDUSTRIES
The government will ensure that all measures are taken for the development of this sector by attracting new investment for replanting of more remunerative/high-yielding plants, establishing a chain of agro based industries and helping to create a Kerala brand. And will:
Develop mega food processing zones in select districts.
Strengthen the activities of National Centre for HACCP Certification (NCHC) and Agency for Development of Food Processing Industries in Kerala (ADFIK).
Synergise with tourism industry for promotion of ethnic food products of the State.

MANUFACTURING AND SERVICE SECTORS
Present global situation facilitates the State to source latest technology and equipment for value addition, productivity, scale of economy, cost competitiveness and consistency in quality. The government is all set to go in for capitalising the opportunities thus benefiting the manufacturing sector as a whole.
The Government is also preparing to encash the global boom in the service sector. It plans to develop a dedicated service hub for trade, finance, logistics, knowledge sector etc.
The Government plans to formulate schemes to attract FDIs including NRIs and NRKs to channel their investible surpluses to the State enabling them to harness their expertise in the key areas of manufacturing and services.

MICRO SMALL & MEDIUM ENTERPRISES
The Government is committed to supporting and strengthening this sector through various schemes.
Promoting micro and small enterprises by using the funds from the decentralised plan devolved to the local self government institutions.
The Department of Industries would provide all help and support to entrepreneurs who seek financial assistance from banks and other financial agencies.

**LARGE SCALE ENTERPRISES**

Efforts shall be made to attract massive investment through Private/ Public Private Partnership (PPP) from within and outside the country.

All industrial units with a capital investment of ₹ 100 crores and above will be treated as mega projects. Preference will be given to the units which use environment-friendly technologies and offer employment to local people. The government will offer special packages including fiscal benefits.

**THRUST AREAS**

For the accelerated industrial development and balanced regional development, the government shall adopt an integrated approach to develop industrial & supportive infrastructure in the State through creation of more number of Industrial Parks/Industrial Townships/Industrial Corridors/Special Economic Zones. The major initiatives proposed during the Plan period are:

Mega Industrial Parks: KINFRA will help develop Mega Industrial Parks in selected thrust sectors. Integrated Textile Parks at Palakkad and Mega Food Park at Wayanad are envisaged.

Industrial Townships: Industrial Townships, which would be compact industrial areas providing necessary support to industrial entrepreneurs and offering world class facilities, will be set up. The Palakkad Industrial Township Area Project, Development of Knowledge Cities in Trivandrum, Ernakulam and Palakkad, etc are being envisaged.

**SEZs:** Product specific SEZs including Service SEZs, which suits Kerala condition with industry - specific infrastructure along with all basic and supporting facilities, will be encouraged.

Industrial Corridors: Three zones in the State as Industrial Corridors, which would qualify as Commercial Districts are proposed:

I. IT & ITES Corridor from Kazhakuttom to Kovalam and from Kazakuttam to Kollam along NH Bypass.
II. Biotechnology & Hitech Electronics Corridor along Seaport – Airport road at Kochi.
III. Food Processing & Textile corridor from Kanjikode to Walayar along NH at Palakkad.

Sector-specific Industrial Parks: Industrial Parks will be developed in certain selected thrust sectors. Watercraft Park at Kochi, Print Village at Kochi, etc are on the anvil and more such sector-specific Industrial Parks will be developed progressively. KSIDC shall facilitate setting up of a world-class Electronic Hub for attracting global leaders in electronic hardware and equipment, home appliances, semi conductor devices etc.

**BIOTECHNOLOGY & NANOTECHNOLOGY**

A State Level Task Force shall be set up which will coordinate the efforts of the Department of Industries and other developmental agencies and R&D centres for the integral development of Biotechnology, Nanotechnology and other knowledge industries in the State. KSIDC will facilitate setting up of a world class Life Sciences Park to attract FDI in Pharmaceuticals, Medical Devices, Biotechnology, Nanotechnology etc., especially in core activities like manufacturing, R&D and clinical development. A Life Science Park will be set up in the State for the promotion of these sectors.

**MINING & GEOLOGY**

Intensive efforts will be made to explore and utilise mineral resources of the State without adversely affecting the ecology and environment. Mineral exploration activities for iron ores, high grade china clay, bauxite and other minerals will be streamlined and strengthened.
TITANIUM
Considering the rich mineral deposits in the State, a comprehensive scheme to produce Titanium Metal, Titanium composites by using state of the art technology shall be evolved with the help of Central Government agencies and International organisations.

TRADE & COMMERCE
The government will focus on trade & commerce to convert Kerala into a world class commercial hub for retail, wholesale services, banking, insurance, healthcare, sports, education, information technology, sports and other allied services. It also plans to:
Organise mega shopping festivals at regular intervals.
Expand the transport and communication infrastructure.

LABOUR RELATION
The government is of the view that healthy labour relation and good work culture are the pre-requisites for the growth and sustenance of the industry. The government plans to spearhead a massive campaign to highlight the healthy labour relations and to remove the unfounded perceptions.
The management will have the right to choose and deploy employees to the extent feasible encouraging local work force.
The government will take initiative in promoting a new management culture through regular interaction with the industrialists and trade unions.
A reconciliation forum will be set up involving Departments of Labour, Industries and Commerce choose and deploy employees to the extent feasible encouraging local work force.
The government will take initiative in promoting a new management culture through regular interaction with the industrialists and trade unions.
A reconciliation forum will be set up involving Departments of Labour, Industries and Commerce, ensuring participation of trade unions for the effective redressal of labour issues.
Arbitration mechanism shall be implemented if industrial disputes arise, for speedy decisions.
Public Sector Advisory Board and Fast Track Labour Courts will be constituted for policy-making and dispute settlement.

Get started!
There are certain statutory requirements for you to complete before you start a business in Kerala. The proper compliance with the legal requirements will help you address any problems arising in the future.
Before you start a business, please ensure that you have gone through this checklist

1. Obtain direct identification number from Ministry of Corporate Affairs Portal.
2. Obtain digital signature certificate from the agency certificate from agency certified by MCA
3. Reserve company name with Registrar of Companies
4. Stamp company documents at State Treasury
5. Get certificate of incorporation from Registrar of Companies
6. Make company seal
7. Obtain PAN from authorized franchisee/agency
8. Obtain Tax Account Number (TAN) from authorized franchisee/ agency
9. Register with office of Inspector Shops and Establishments
10. Register for VAT before Local Sales Tax Officer
11. Register for profession tax at profession tax office.
12. Register with Employees Provident Fund Office
13. Register for Medical insurance at Regional Office of Employees State Insurance Corporation.
   (No’s 2,7,8,9,10,11,12 takes place simultaneously)
How to ensure legality of your building

1. Submit documents to the local self government for approval of site
2. Receive inspection for approval of site
3. Obtain approval of site
4. Obtain drawing plan/bldg permit approval from local self government
5. Apply for first NOC from Fire and Rescue Department
6. Apply for and obtain approval of load requirement from KSEB
7. Notify Secretary of local self government on commencement of work
8. Apply for final NOC from Fire and Rescue Department
9. Submit completion certificate and apply for occupancy permit at local self government
10. Receive inspection from Fire and Rescue Department
11. Receive final inspection of construction by local self government
12. Receive final NOC from Fire and Rescue Department
13. Obtain occupancy permit from local self government
14. Apply for permanent power connection to KSEB
15. Apply for permanent water and sewerage connection to KWA
16. Receive on site inspection by KSEB
17. Receive on site inspection by KWA
18. Obtain permanent power connection
19. Obtain permanent water and sewerage connection
20. Obtain permanent phone connection

(No’s 13,15,16,17,18,19, 21, &22 takes place simultaneously)
The policy divides FDI into three categories

Automatic route
Sectors which require prior approval
Sectors prohibited for FDI

Automatic route
Most sectors fall under the automatic route in which investment requires no prior government/RBI approval. The investors are only required to notify the concerned Regional Office of RBI within 30 days of receipt of inward remittances and file the required documents with that office within 30 days of issue of shares of foreign investors.

All sectors except the following come under the automatic route
Sectors that require compulsory licensing.
Manufacture of items reserved for small scale sector.
Proposals in which the foreign collaborator has an existing financial/technical collaboration in India in the same field.
Proposals for acquisitions of shares in an existing Indian company in financial service sector and where Securities and Exchange Board of India (substantial acquisition of shares and takeovers) regulations, 1997 is attracted.
All proposals falling outside notified sectoral policy/caps under sectors in which FDI is not permitted.

Sectors that require compulsory licensing
Alcohol, cigarettes and tobacco products
Electronic aerospace and defence equipment
Explosives
Hazardous chemicals such as hydrocyanic acid, phosgene, isocynate and di-isocynates of hydro carbon and derivatives
Sectors which require approval
FDI in activities not covered under the automatic route require prior government approval, granted on the recommendations of Foreign Investment Promotion Board (FIPB).

**Prohibited sectors**

**The policy disallows FDI in the following cases:**

- Gambling and betting
- Manufacturing of Cigars, Cigarettes, Cheroots – of tobacco or tobacco substitutes.
- Lottery Business
- Atomic Energy
- Agricultural or plantation activities of agriculture (excluding floriculture, horticulture, development of seeds, animal husbandry, pisciculture and cultivation of vegetables, mushrooms etc., under controlled conditions and services related to agro and allied sectors) and plantations (other than tea plantations)
- Gambling and betting
- Gambling and betting
- Gambling and betting
- Manufacturing of Cigars, Cigarettes, Cheroots – of tobacco or tobacco substitutes.
- Lottery Business
- Atomic Energy
- Agricultural or plantation activities of agriculture (excluding floriculture, horticulture, development of seeds, animal husbandry, pisciculture and cultivation of vegetables, mushrooms etc., under controlled conditions and services related to agro and allied sectors) and plantations (other than tea plantations)

**General permission of RBI under FEMA**

Indian companies having foreign investment approval through FIPB route require no further clearance from RBI for receiving inward remittance and issue of shares to foreign investors.

The companies are required to notify the concerned Regional Office of the RBI of receipt of inward remittances within 30 days of such receipt and within 30 days of issue of shares to the foreign investors or NRIs.

**Procedure for obtaining an industrial license**

Industrial licence is granted by the Secretariat for Industrial Assistance in the Department of Industrial Policy and Promotion, Government of India. Application for industrial licence is required to be submitted in Form FC-IL to the Department of Industrial Policy and Promotion. (Form FC-IL can be downloaded from http://siadipp.nic.in/download/il-form.doc)

**Locational restrictions**

Industrial undertakings to be located within 25 km of the standard urban area limit of 23 cities having a population of one million as per 1991 census require an industrial licence. Industrial licence even in these cases is not required if a unit is located in an area designated as an industrial area before 1991 or non-polluting industries such as electronics, computer software, printing and other specified industries.

**Environmental Clearances**

Entrepreneurs are required to obtain Statutory clearances, relating to Pollution Control and Environment as may be necessary, for setting up an industrial project for 31 categories of industries in terms of Notification S.O. 60(E) dated 27.1.94 as amended from time to time, issued by the Ministry of Environment and Forests under The Environment (Protection) Act 1986. This list includes petrochemicals complexes, petroleum refineries, cement, thermal power plants, bulk drugs, fertilizers, dyes, papers etc.,

However, if investment in the project is less than ₹100 crore (approx. $22.2 million), such environmental clearance is not necessary, except in cases of pesticides, bulk drugs and pharmaceuticals, asbestos and asbestos products, integrated paint complexes, mining projects, tourism projects of certain parameters, tarred roads in Himalayan areas, distilleries, dyes, foundries and electroplating industries.

Setting up industries in certain locations considered ecologically fragile (e.g. Munnar, Wayanad, Aravalli Range, coastal areas, Doon Valley, Dahanu etc.) is guided by separate guidelines issued by the Ministry of Environment and Forests.

The government has reserved certain items for exclusive manufacturing in the small scale sector. The list can be had from www.dipp.gov.in
### Sectoral caps for FDI

| 1. | Private sector banking | 49 |
| 2. | Non-Banking Financial Companies | 100 |
| 3. | Insurance | 26 |
| 4. | Telecommunications | 49 - 74 |
| 5. | Petroleum Refining [Private Sector] | 100 |
| 6. | Petroleum Product Marketing | 100 |
| 7. | Oil Exploration in both small and medium sized fields | 100 |
| 8. | Petroleum Product Pipelines | 100 |
| 9. | Housing and Real Estate | 100 |
| 10. | Coal & Lignite |
| 11. | Venture Capital Fund (VCF) and Venture Capital Company (VCC) | 100 |
| 12. | Trading including Single Brand Product Trading | 51-100* |
| 13. | Power | 100 |
| 14. | Drugs & Pharmaceuticals | 100 |
| 15. | Road and highways, Ports and harbours | 100 |
| 16. | Hotel & Tourism | 100 |
| 17. | Mining | 74-100 |
| 18. | Advertising | 100 |
| 19. | Films | 100 |
| 20. | Airports | 74 |
| 21. | Mass Rapid Transport Systems | 100 |
| 22. | Pollution Control & Management | 100 |
| 23. | Special Economic Zones | 100 |
| 24. | Air Transport Services (Domestic Airlines) | 49-100*** |
| 25. | Townships, housing, built-up infrastructure and construction development projects. The sector would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure | 100 |
Incentives/Concessions

(Note: The concessions mentioned below are part of the Industrial and Commercial Policy 2007.)

The government intends to capitalise the inherent strength of the State to attract investments. However, incentives will be provided for investments in supporting facilities and those equipment and systems which will be eligible for subsidies will be notified. This will be done in concurrence with the finance & planning departments. The proposed incentives include:

1. Subsidy up to 50 per cent of the cost of capital equipment used in pollution control, effluent treatment and other allied functions, subject to a maximum of ₹ 25 lakh.

2. Special incentives package/facilities to large investments with ₹ 100 crore and above will be considered on a case-to-case basis by the High Level Committee chaired by the Chief Minister.

Incentives for all types of enterprises in line with the MSME Act of the Government of India.

Price preference policy for micro & small enterprises as stipulated in the Micro Small & Medium Enterprises Development Act.

For more information:
http://ksidc.org/incentives-and-facilities.php

For 100% Export Oriented Projects (EOU)

Duty-free import of capital goods, components/spares, office equipment, raw materials, consumables, etc.

Supplies made to a 100 per cent EOU from Domestic Tariff Area (DTA) are treated as deemed and exempted from taxes and duties.

Sales are allowed to DTA subject to sectoral caps.

Liberal conditions for foreign equity participation.

Extremely streamlined procedures for all clearances.

Liberalised packages for export-oriented Electronics Hardware Technology Parks.

For NRIs and overseas corporate bodies

*Up to 100 per cent equity with full repatriation facility for capital and dividends in select sectors which include export trading companies, hotels and tourism-related projects, hospitals, diagnostic centres, shipping, deep-sea fishing, oil exploration, highways, bridges and ports, sick industrial units.

How to repatriate your profits

The process of repatriation of capital invested and income earned on it is simple. Companies with direct foreign investment, established on the basis of repatriation, are allowed to repatriate dividends, net of taxes. The equity invested can also be repatriated, should the investor decide to do so.
Single Window Clearance scheme

Government of Kerala had introduced the Single Window Clearance System in the State, with the intention of expediting the issue of various clearances for new Industrial projects, effective from the 1st of June 2000. A final clearance for all projects, either approval or rejection, is to be given within a specific period from the date of submission of application, as per the system. This has been made a statutory requirement under the Kerala State Single Window Clearance Boards and Industrial Township Area Development Act 1999.

A State-Level Board for aiding medium and large scale industries has been constituted in this regard, headed by the Chief Secretary, which shall issue clearances within a timeframe of 45 days. Kerala State Industrial Development Corporation has been designated as the Single Contact Point and MD, KSIDC is the convenor of the State Board. The Board has statutory powers to enforce its decisions.

In a similar manner, District-level Boards have been constituted for clearing small scale industrial undertakings, with the District Collector as the Chairman and General Manager, District Industries Centre as the Convenor; the stipulated time frame being 60 days.

Industrial Area Boards have also been set up in various industrial areas of the state for the clearance of projects being set up in these areas. An officer not below the rank of District Collector is the Chairman on each Board, with the Designated Authority of the Industrial Area as Convenor, to issue clearances within a period of 30 days.

The entrepreneur needs to fill up a composite application form for single window clearance and submit it at the respective offices of the convenors. The key information to be provided as per the form include the nature of the company and its business, details of land, buildings and machinery, manpower requirement, capital investment, details of raw material and their source, nature of products, power and water requirements, details on effluents such as solid/liquid waste, quantity, treatment plants and usage of fuel.

### Three-tier system

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<tr>
<th>Segment</th>
<th>Level</th>
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<tbody>
<tr>
<td>Large and Medium projects</td>
<td>State</td>
<td>Chief Secretary</td>
<td>45 days</td>
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<td>Small projects</td>
<td>District</td>
<td>District Collector</td>
<td>60 days</td>
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<tr>
<td>Projects in Industrial parks</td>
<td>Industrial parks</td>
<td>District Collector/Above</td>
<td>30 days</td>
</tr>
</tbody>
</table>
Addresses of offices of important investment promotion agencies

Kerala State Industrial Development Corporation Ltd. (KSIDC)
Keston Road, Kowdiar,
Thiruvananthapuram - 695 003.
Kerala, India,
Tel: +91-471-2318922, Fax: +91-471-2315893,
E-mail: ksidc@vsnl.com

Kochi Office:
Kerala State Industrial Development Corporation Ltd
IInd Floor, Choice Towers,
Manorama Junction, Kochi - 682 016.
Tel: +91-484-2323010, Fax: +91-484-2323011,
E-mail: ksidckochi@eth.net
www.ksidc.org

Kerala Industrial Infrastructure Development Corporation (KINFRA)
Kinfra House, 14/1026, Vellayambalam,
Thiruvananthapuram- 695 010.
Tel: +91-471 2324285,
Fax: +91-471 2324473
E-mail: kinfra@vsnl.com
www.kinfra.org

Kerala State Information Technology Mission
ICT Campus, Vellayambalam Jn.,
Thiruvananthapuram 695 033, Kerala, India.
Tel: +91-471-2726881, 2314307.
Telefax: + 91-471-2314284.
www.keralaitmission.org

Kerala Bureau of Industrial Promotion (K-bip)
TC IX/2197, Kurup’s Lane, Sasthamangalam,
Thiruvananthapuram-695 010, Kerala, India.
Tel: +91 471-2311882 Fax: +91 471-2311883
E-mail: bureau@vsnl.com, bureau@asianetindia.com

Kerala Financial Corporation
Vellayambalam,
Thiruvananthapuram - 695033,
Tel: +91 471 - 2318319,
Fax: +91 471 - 2318541,
e-mail: kerfinco@md2.vsnl.net.in
Department of Tourism Kerala
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Offices of the Fire and Rescue Department

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Deputy Director (Admn.)
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**Kozhikode District Office**
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**Kannur District Office**
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**Kasaragod District Office**
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EMERGING KERALA 2012

Global Connect

12-14 September
The government of Kerala is hosting Emerging Kerala, a Global Connect programme, designed to bring together all stakeholders of Kerala economy: enterprises, thought leaders and influencers, visionaries, investors, government institutions and the general public who have invested in the vision of an ‘Emerging, Enterprising, Equitable’ Kerala.

The biennial event will attract leadership from India and abroad – CEOs, Heads of governments, foreign dignitaries, heads of institutions such as SEBI, RBI, IRDA; renowned scholars, Nobel laureates, leading economists, eminent personalities and business leaders.

They will present their perspectives on sectors and issues of import. They will brainstorm and forge initiatives and frameworks that will be true enablers for powering long term growth.

**Goals**

* Make Kerala a premier global hub of economic activity, through fostering entrepreneurship and industry, which leverage its inherent strengths, resulting in equitable socio-economic growth
* Present and showcase Kerala and create awareness amongst all stakeholders through continuous engagement and connect initiatives, while simultaneously creating the right environment, to facilitate the transformation of Kerala into a business hub and preferred investment destination
* Create a platform to bring together all stakeholders in order to make the vision of an enterprising Kerala a reality in the medium term

The government of Kerala has identified 26 focus sectors to be presented before the investors. Of them, 10 will be core sectors. All stakeholders, especially those from the thrust sectors, would be part of the deliberations.
On offer
* Project profiles and investment ideas for potential investors and entrepreneurs, prepared by sectoral panels/project committees
* Business to business (B2B) as well as business to government (B2G) connects.
* Exclusive NRK session
* Theme lunches/dinners
* Round tables, B2B & B2G connects
* Domestic and international road shows
* Cultural performances
* Multi-pronged media campaign – website, social media channels like Facebook and Twitter, PR firms, print media, etc

Special to Emerging Kerala
* Fast track clearance of bottlenecks and impediments to projects
* Special package of incentives for prospective projects coming up in the State.
  All necessary Government support to investors for setting up viable projects in these sectors in the State
  CII and NASSCOM are the event partners of Emerging Kerala

The schedule

**September 12, 2012**
- IT&ITES, Knowledge/ Education
- Tourism
- Food & Agro Processing
- Ports, Shipbuilding & logistics

**September 13, 2012**
- Healthcare Services
- Energy including Green Energy & Environment Technologies
- Science & Technology including Biotechnology, Nanotechnology & Life Sciences
- Infrastructure development (Power, Water, Urban Transportation, Waste Mgmt., etc)

**September 14, 2012**
- Financial Services
- Msme