



GOVERNMENT OF KERALA

Abstract

Industries Department - Establishment of common facilities for promotion of value addition in Natural Rubber(NR) Sector in the state and an Industrial Park for NR based and ancillary industries at Velloor, Kottayam- Administrative Sanction accorded - Orders issued.

INDUSTRIES(G) DEPARTMENT

G.O.(Rt)No.466/2022/ID Dated,Thiruvananthapuram, 20-05-2022

- Read 1 G.O.(MS)No. 16/2019/ID dated 02-02-2019.
- 2 Letter No KRL/CMDO/10/2022-23 dated 11-04-22 from CMD, Kerala Rubber Limited
- 3 Decision of First Departmental Working Group meeting held on 11-05-22.

ORDER

Government accorded sanction for establishment of Kerala Rubber Ltd (KRL) vide Government Order referred (1) above with the intent to set up an integrated facility for manufacturing of value-added products by using Natural Rubber (NR) produced in Kerala, and thereby ensure stable and better price to rubber farmers and strengthen domestic rubber market.

Chairperson and Managing Director, Kerala Rubber Ltd has forwarded a proposal for the Establishment of common facilities for promotion of value addition in Natural Rubber(NR) Sector in the state and an Industrial Park for NR based and ancillary industries at Velloor, Kottayam vide letter read as 2 above. The amount requested for this proposal is Rs. 20.00 Crores and the total funds available in the budget provision is Rs. 10.00 Crores.

Kerala Rubber Limited is a CIAL model company with 26% government equity and balance by strategic private investors, which facilitates creation of "Hub of Latex based products" & Amul model co-operative for procurement of natural rubber. Government intends to promote value added industries in rubber sector through a huge project costing Rs.105000.00 lakh to manufacture Solid OTR Tyres (50MT/day) and Heat Resistance Latex Thread (10 MT/day) cost of projects envisaged for first phase is Rs. 20000.00 lakh. In the second phase the capacity of solid OTR tyres will be enhanced to 100 MT/day and facilitates for 50MT/day of pneumatic OTR tyres will be installed. For the second phase the cost will be Rs. 42500.00 lakh. In the third phase the installed capacity of solid

OTR tyres and pneumatic OTR tyres will be enhanced to further 50 MT/day.

The immediate physical target of KRL, as its first phase, is to develop 164 acres of land at Hindustan Newsprint Ltd and set up a world class infrastructure including Common facilities - effluent treatment plant, end to end testing facilities for adherence to national/international regulations/norms for products to ensure sustainable development, Industrial Park for NR based and ancillary products with Standard Design factories for specialized NR based products etc. The land development cost alone, as estimated by KIIFCON, comes to Rs. 37.12 Cr Land & Road Development works are to be done on a priority basis, prior to development of other common industrial infrastructure such as R&D Centre, Testing & Development Centre, etc. and a Tyre Testing Centre for generating revenue for KRL. The initial cost for creation of quality infrastructure for promotion of MR based value addition and Rubber Park project at Velloor is estimated at Rs. 19961.00 lakh. Rs.1000.00 lakhs provided in the budget is proposed to be spent in the first quarter of 2022-2023 for site development, construction of internal roads and compound walls etc.

The list of components and final targets are given below

Sl.No	Components	Final Targets (Rs in Lakhs)
1	Compound Wall	1980.00
2	Main Peripheral Roads	1154.00
3	Land Development	375.00
4	Electricity (Substation & Inter trial Distribution)	1000.00
5	Fire Fighting system	202.00
6	Water, WTP and Water Distribution network	500.00
7	Solar Plant & Street lighting	300.00
8	Warehouse 1,00,000 sq ft	2000.00
9	Effluent Treatment Plant	500.00
10	Solid Waste management Facility	200.00
11	R&D Centre for Rubber	600.00
12	Testing & Development centre	1700.00
13	Rubber wood processing Centre	2000.00
14	National Rubber Products Exhibition Centre	1150.00
15	Tyre testing laboratory	3200.00
16	Rubber Products Sterilization Centre	1250.00
17	Rubber products innovation Centre	1150.00
18	Workers' Hostel with Recreation Area	700.00
	TOTAL	19961.00

Objective of the scheme are to

- Ensure better price realization for rubber farmers
- Facilitate value addition of rubber
- Develop world class manufacturing infrastructure to promote investment in the Rubber sector
- Ensure seamless linkages for procurement of NR from Rubber farmers
- Processing facilities for NR and undertake trading activities to create demand
- Operate in Public Private Partnership mode and ensure good returns to stakeholders
- Generate employment by creating direct as well as indirect job opportunities etc

Expected outcome of scheme are

- Testing & certification facility
- Tyre testing laboratory
- Rubber products innovation centre
- Common ETP & warehouse facility
- R & D centre for Rubber
- Rubber wood processing Centre
- National Rubber Products Exhibition Centre
- Rubber park
- Value addition of natural rubber in other areas based on DPR

The date of completion of the project Phase - I in 2023-24 (under finalization)

The Department Working Group meeting held on 11-05-2022 considered the project and approved the proposal for Administrative Sanction in the minutes cited

Government have examined the proposal with the recommendation of Departmental Working Group and are pleased to accord Administrative Sanction for Establishment of common facilities for promotion of value addition in Natural Rubber(NR) Sector in the state and an Industrial Park for NR based and ancillary industries at Velloor, Kottayam for Industrial Promotion Activities of Kerala Rubber Limited for an amount of Rupees 20 Crores. The activities are implemented through KSIDC(Plan) under the H/a "4885-01-200-95 Industrial Promotion Activities".

(By order of the Governor)
SUMAN BILLA
PRINCIPAL SECRETARY

To:

The Chairman and Managing Director, Kerala Rubber Limited,
Velloor, Kottayam

The Managing Director, KSIDC, Thiruvananthapuram

The Director of Industries and Commerce, Thiruvananthapuram .

The Managing Director, Kinfra, Thiruvananthapuram

The Principal Accountant General (Audit/A&E), Kerala, Thiruvananthapuram

Planning and Economic Affairs Department

Industries(J) Department (vide U.O. Note No. J2/76/2022/IND dated 13/05/2022)

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