



**KCCI**  
MANGALORE

empowering enterprise, facilitating growth...Since 1940

ಕೆನರಾ ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆ

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**KANARA CHAMBER OF COMMERCE & INDUSTRY**

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14<sup>th</sup> January, 2020

To

Dr. Ashwathnarayan C. N.  
Deputy Chief Minister,  
Government of Karnataka,  
Minister for Higher & Medical Education,  
IT & BT, Science & Technology,  
Vidhana Saudha,  
Bangalore – 560 001.  
Karnataka.

Respected Sir,

**Sub:PROVIDING FUNDS OF RS.60.00 CRORES FOR  
ESTABLISHING AN INFORMATION TECHNOLOGY  
PARK (IT PARK) AT BLUE BERRY HILLS NEXT TO  
STPI, MANGALURU IN THE ENSUING STATE BUDGET.**

Further to the personal meeting the undersigned had with you we would present to you details on the need for immediate establishment of an IT Park in the city of Mangaluru.

**Availability of huge talent pool of IT and ITES talent in Mangaluru but very few job opportunities:**

Mangaluru has a large ready pool of IT & ITES talent available. At the moment there are close to 15,000 employees working in IT/ITES industry in this region. With a proper IT ecosystem, it can be easily increased 3-fold.

Mangaluru - Udupi (Manipal) region is known as the Education Hub of Karnataka State. There are more than 20 Engineering Colleges and 100+ Non Engineering Colleges with thousands of students graduating every year. However there is a lack of job opportunities for these graduates in Mangalore. Even among the lateral skilled employees, many prefer to work from Bengaluru as there are no employment opportunities for their spouse or even for themselves in the future. This lack of IT ecosystem puts additional pressure on Bengaluru for which the government is already contemplating decongestion as part of the proposed new IT policy of 2019.

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Federation of Indian Chambers of Commerce & Industry, New Delhi,  
Federation of Karnataka Chambers of Commerce & Industry, Bangalore,  
Confederation of Indian Industry, (Southern Region), Bangalore/Chennai,  
Bangalore Chamber of Industry & Commerce, Bangalore &  
Indian Merchants' Chamber, Mumbai.



**The Centre for Entrepreneurship Opportunities and Learning (CEOL) and STPI Incubation Centres are churning out incubated Software enterprises:**

KCCI has worked with the Government to promote a Centre for Entrepreneurship Opportunities and Learning (CEOL) in Mangaluru under the guidance and support of the Finance Minister Mrs. Nirmala Sitharaman. CEOL Incubation Centre is now functioning close to capacity. Companies incubated 8 months ago have to plan to move out as they grow but are unable to find suitable commercial space at reasonable cost.

Apart from this, the Software Technology Park of India (STPI) is also fully occupied and the IT enterprises that are located here have to vacate after their mandatory time, to give place for fresh entities.

**Established IT companies operating in Mangalore in need of a Bridge Space to Develop :**

Currently, there are more than 100+ IT companies operating out of Mangaluru. Apart from large companies like Infosys, Cognizant, there are also successful home-grown companies like Robosoft, Diya Systems, Semnox, Novigo Solutions, Codecraft etc. There are also many companies with 5-30 employees. These companies often migrate to Bengaluru in search of talent pool for high end technologies and for scaling up operations. The proposed IT park will address this issue as the talent would be in one place. The local talent would also prefer to come back as they see the same growth in Mangaluru.

**Establishing an IT Park within Mangalore - a solution to change the status.**

An IT Park with affordable rentals will incentivise companies to operate and expand and have enough space for their natural growth in the city. It would also help larger IT and ITES to set up their Units in Mangalore. This effort will ensure that our talent pool will be retained and employed here. Moreover the pressure on Bengaluru will be significantly reduced. The IT park in Mangalore can be a shared working space for multiple IT & ITES companies at one place including adequate Executive as well as leisure infrastructure for the IT employees.

**How do we envisage an IT Park in Mangaluru**

- a. **Land:** It is heartening to note that there is readily available land to the extent of 4.62 Acres of Land earmarked by KEONICS for IT Park at Blueberry Hills, Kuntikana, Derabail within the city corporation limits of Mangaluru. There is also 2.35 Acres of Government land available adjacent to it. Moreover, the Software Technology Parks of India (STPI), Mangaluru is adjacent to the proposed site. Considering the size of Mangaluru, having an IT park within the city, would help significantly, as the first 3 categories of companies mentioned below will not be able to afford to take care of transport. Hence developing the



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IT park, next to the current STPI facility, can create a suitable environment and help the industry to grow significantly and give a thrust to the employment generating initiative of the Government.

### **b. Facilities required:**

- I. **A 100-seater state of the art, plug-&-play office space** as an incubation center, for new entrepreneurs including students/startups to start their journey. It should be subsidised and must provide local mentoring and support. We already have a proven success story in the name of CEOL which was started 1.5 years back and running close to capacity most of the time.
- II. **Plug & play facility for the small IT/ITES companies with basic infra facility (size 5 to 50 seats)** – co-working space to be provided as per individual requirement. Pricing to be nominal either per seat or a block/room with a fixed cost.
- III. **IT space for the mid-size companies (size between 50-200 seats)** can be provided on rent on sq ft basis.
- IV. **Bigger IT space for the large/Very large companies for their IT or ITES** (for example - a tier 1 company needing to setup a 500 seater ITES facility (currently there are 1 or 2 big companies). Incentivizing 3-5 more such large companies can help build the IT ecosystem more effectively. This will help to avoid talent drain as they will have multiple opportunities locally available.

- c. Common infra for all the above** –Common infrastructure facility like conference rooms, meeting rooms, training rooms, food court, car parking etc., needs to be provided, again with the pricing based on the type of company. Common ecosystem support like– company legal, company structure/compliance, Chartered Accountant/Company Secretary services, needs to be provided, so that the companies can focus more on their core business. All these can be provided at a nominal price within the facility, rather than each company searching for such support outside.

**Considering the above we request you to ensure that exclusive provision for an amount of Rs.60 crores, in a minimum area of 100,000 sqft. for the IT Park in ensuing State Budget for Mangalore.**

Thanking you

Yours faithfully

**ISAAC VAS  
PRESIDENT.**