



Foundation for MSME Clusters (FMC)  
(ISO 9001:2008 Certified Organisation)



## Promoting Responsible Business by BMOs

Issue  
IV



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# INDEX

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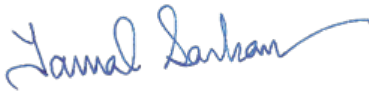
## ACKNOWLEDGEMENT

We are delighted that this unique Award Programme for "Responsible Indian BMOs" has now successfully entered its fourth year. 145 BMOs from 19 states applied this time for the Award. While twelve best cases for the year have been detailed in this publication, efforts made by the other applicant BMOs are also very impressive. We heartily congratulate all the BMOs for the good work being done by them for promoting responsible production.

FMC firmly believes that putting across the message of "Responsible Production" to the huge mass of 60 million plus MSMEs can happen more meaningfully if intermediary organizations, including the BMOs, not only at the National and State levels, but also at the District, Cluster and Industrial Estate levels become further empowered to provide both common solutions as well as technical support to its member as well as non-member MSMEs to create a Zero Defect Zero Effect India and MSME sector. This Award provides a platform to celebrate successful interventions and also learn from each other to over 1700 BMOs.

We are grateful to Dr Rajiv Kumar, Hon'ble Vice Chairman, NITIAayog for kindly agreeing to address us and also felicitate the Awardees. The Jury under the Chairmanship of Shri S K Tuteja, Former Secretary, Ministry of SSI&ARI, Dr H P Kumar, Former Chairman, NSIC, Shri Rakesh Rewari, Director, Board of NSIC, Shri Viraf Mehta, Former Chief Executive, Partners in Change, and Dr Annapurna Vancheswaran, Senior Director, TERI have given us valuable guidance and supported us in framing the parameters for evaluation and in the selection of award winning BMOs. We are indeed deeply obliged to them.

We also sincerely thank our principal sponsors Small Industries Development Bank of India (SIDBI), ASK-Media, Entrepreneurship Development Institute of India (EDII), IHelp, IL&FS, Power2SME and other advertisers for the same. We are also thankful to Essar Foundation for part sponsoring the research and publication. We are also grateful to our technical partners Birla Institute of Management and Technology (BIMTECH) and India SME Technology Services Ltd (ISTSL).



Dr Tamal Sarkar  
Executive Director

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## ABBREVIATIONS

B2B- Business to business

BMO- Business Membership Organization

CETP- Common Effluent Treatment Plant

CFC – Common Facilitation Center

EDC- Entrepreneurship Development Cell

EDP- Entrepreneurship Development Programme

EEPC- Engineering Export Promotion Council

GEF- Global Environment Facility

ICDS – Integrated Child Development Services

IIUP- Integrated Infrastructure Upgradation Scheme

JICA- Japan International Cooperation Agency

KVIC- Khadi and Village Industries Commission

LEAP- Lead, Educate, Apply, Prosper

MSME- Micro, Small and Medium Enterprises

NABL- National Accreditation Board for Testing and Calibration Laboratories

NCLP- National Child Labor Project

NSTEDB- National Science & Technology Entrepreneurship Development Board

NVG- National Voluntary Guidelines

RAKIA-RAS AL KHAIMAH Investment Authority

SFRUTI- Scheme of Funds for Regeneration of Traditional Industries

SGFI- Sports Goods Federation of India

SHG- Self Help Groups

SPV- Special Purpose Vehicle

TERI- The Energy and Resource Institute

TUF- Technology Upgradation Fund Scheme

UNIDO- ICMAT- United Nations Industrial Organization- International Centre for Advancement of Manufacturing Technology

QCI- Quality Council of India

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# CHAPTER 1

## Business Membership Organizations: Forms, Status and Challenges

### 1.1 Backdrop

Around the world, small firms have given big boost to their economies. India, one of the largest economies in the world, is no exception. Here, around 50 million Micro, Small and Medium Enterprises (MSMEs) are estimated to account for 37 per cent of manufacturing output and 46 percent of overall exports of the country. Globally, MSMEs are defined with respect to various parameters like employment, turnover, investment in plant and machinery, etc. In India, MSMEs are defined with respect to investment in plant and machinery (for manufacturing) and equipment (for services).

**Table 1 – Defining Micro, Small and Medium Enterprises (MSMEs)**

Classification	Manufacturing Enterprises (Investment in plant and machinery)	Service Enterprises (Investment in equipment)
Micro	Does not exceed Rs 2.5 Million	Does not exceed Rs 1 million
Small	More than Rs 2.5 million but does not exceed Rs 50 million	More than Rs 1.0 million but does not exceed Rs 20 million
Medium	More than Rs 50 million but does not exceed Rs100 million	More than Rs 20 million but does not exceed Rs 50 million

The existence of Indian MSMEs is deep rooted in clusters. It is estimated that 70 per cent of the manufacturing enterprises exist in clusters. Clusters of MSMEs are present all over the country. Evolution of these clusters has helped to reap the benefit of mutual co-existence. The member entities support each other in growing together and faster. However, the growth has not been as high as compared to their potential. The reasons for this under-performance are many and are often related to lack of “targeted joint action” and “promotion of passive cooperation” among the enterprises to address issues related to finance, infrastructure, technology, human resources, market, raw material, etc.

Of late, issues related to responsible growth have also emerged as an area of critical importance and has got national importance with the announcement of Zero Effect Zero Defect (ZED) growth path and equally importantly with the resolve of the global community in the form of Sustainable Development Goals (SDGs) and in particular SDG 8 (promoting decent work) and SDG 12 (promoting responsible consumption and production). However, it is but natural that given the enormous pressure of handling various aspects of business, almost always, sustainability challenges appear as a cost which is in need of further time and resources commitment. It is here, that conglomeration of MSMEs and entrepreneurs, which are historically the most trusted ally of the MSMEs, can play a significant role by demonstrating the scope of sustainable development and even working out means through which MSMEs can attain sustainability. Such conglomerations are also known as Business Membership Organizations (BMOs).

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## 1.2 What is a BMO?

Business Membership Organization (BMO) refers to any organization in which firms, companies or individual entrepreneurs are members. Besides, BMOs can have special category members (non industrial/non entrepreneurial) depending upon the objective of the BMO. BMOs include chambers of commerce, industry associations, federations, apex bodies and SPVs of enterprises/entrepreneurs, employers' organizations, etc. They serve as a link for entrepreneurs with government, service providers and other stakeholders.

Until the late 1990s the country was mostly having national, regional, district and sectoral level BMOs. With the advent of the Cluster Development Program in late nineties, cluster level BMOs started getting registered or rejuvenated throughout the country. Lately, also within clusters, activity/product specific BMOs, Parks/Special Purpose Vehicles (SPVs) have also become a very common phenomenon.

## 1.3 Registration of BMOs

Legal registration of BMOs mostly happen under some of the following Acts:

- (a) Societies Registration Act, 1860
- (b) Indian Trusts Act, 1882
- (c) Cooperative Societies Act, 1912
- (d) Companies Act, 1956
- (e) Companies Act u/s 25, currently u/s 8
- (f) Companies Act u/s 32 (Producer's Company)
- (g) Bombay Industrial Relations Act, 1946

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## 1.4 Level of BMOs

**Figure 1- Level of BMOs**

### Cluster/SPV Level

Their members produce a typical product and are geographically concentrated in a city, town or surrounding place and even a district. it may also include product specific industrial park, SPV, etc. created mostly for making common infrastructure projects.

Rajkot Engineering Association, Gujarat  
Foundry Owners Association, Rajasthan

### District Level

Their members are spread over a district, but have no specific product. it may also include all product industrial Parks/Estates found in a district or simiar places.

Vatva Industries Association, Gujarat  
Cherlapally Industries Association, Telangana

### State level

Their members may or may not be producing a specific product only or involved in a particular trade only, but membership is spread all over a state or more than one district of a state. Many times they also have other BMOs as their members.

Chattisgarh Laghu and Sahayak Udyog Sangh  
Orissa Assembly of Small and Medium Enterprises

### Country Level

Their member may not be producing in a specific product only or involved in a particular trade only, but membership is spread all over the country or more than one state of the country. Many a times they also have other BMOs as their members.

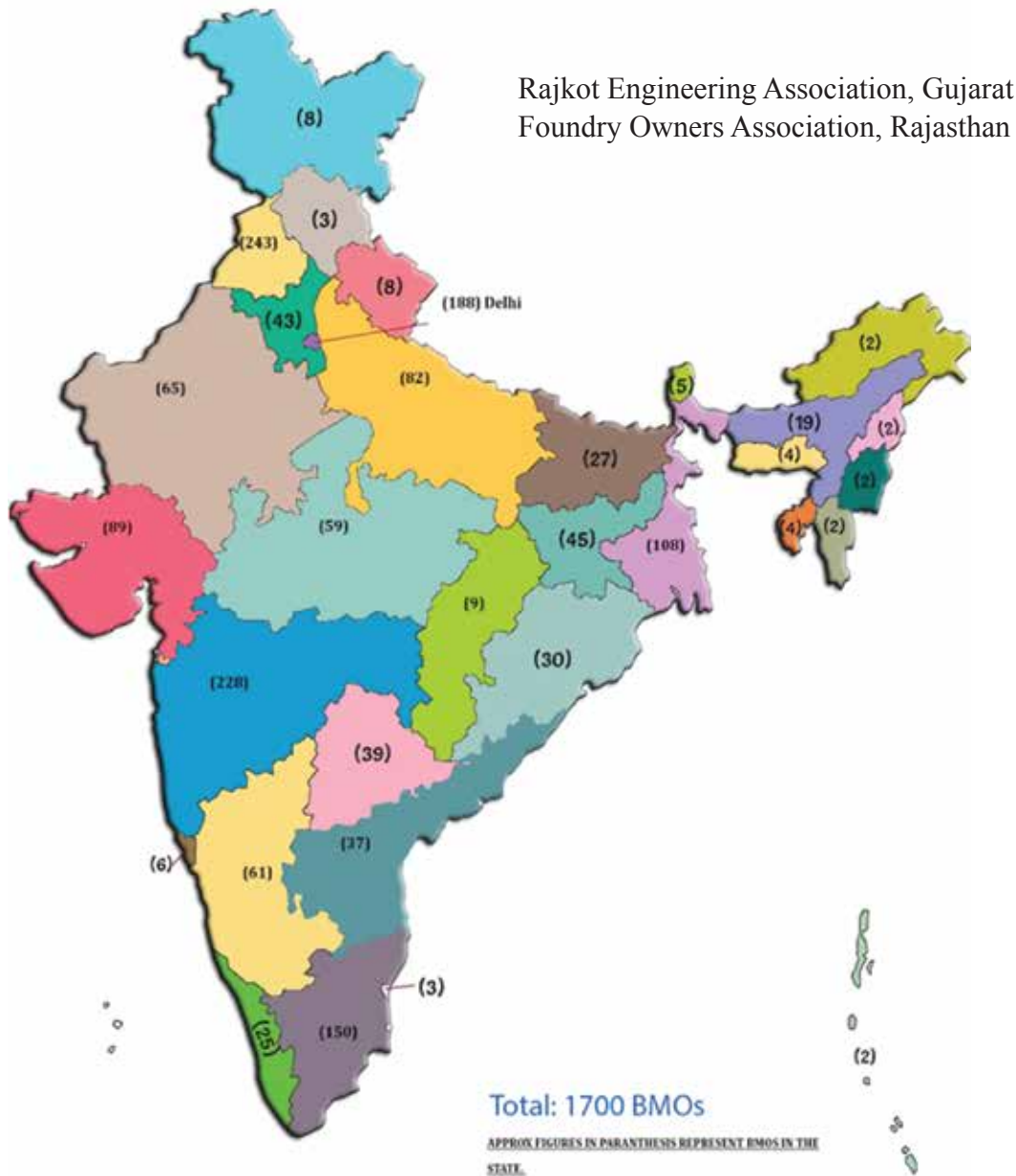
All India Manufacturing Organization  
Indian Chamber of Commerce and Industry



1.5 BMOs across the country

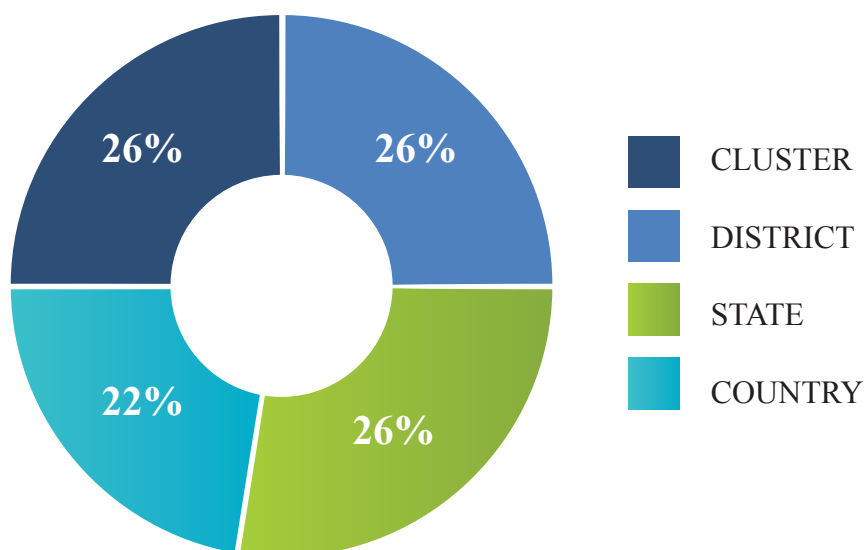
It is estimated that there are around 3500 BMOs in India. On the basis of data of around 1600 BMOs available with the Foundation for MSME Cluster (FMC), state-wise presence of BMOs have been classified according to their geographical presence as presented in the figures below. However this data is only indicative and will give a truer picture with the availability of data of allBMOs in India.

Figure 2- Geographical Spread of BMOs



## 1.6 Analysis of 1600 BMOs

**Figure 3- Cluster, District, State & Country Level BMOs**



The 1700 BMOs are almost equally distributed among the four BMO levels.

## 1.7 Sectoral BMOs

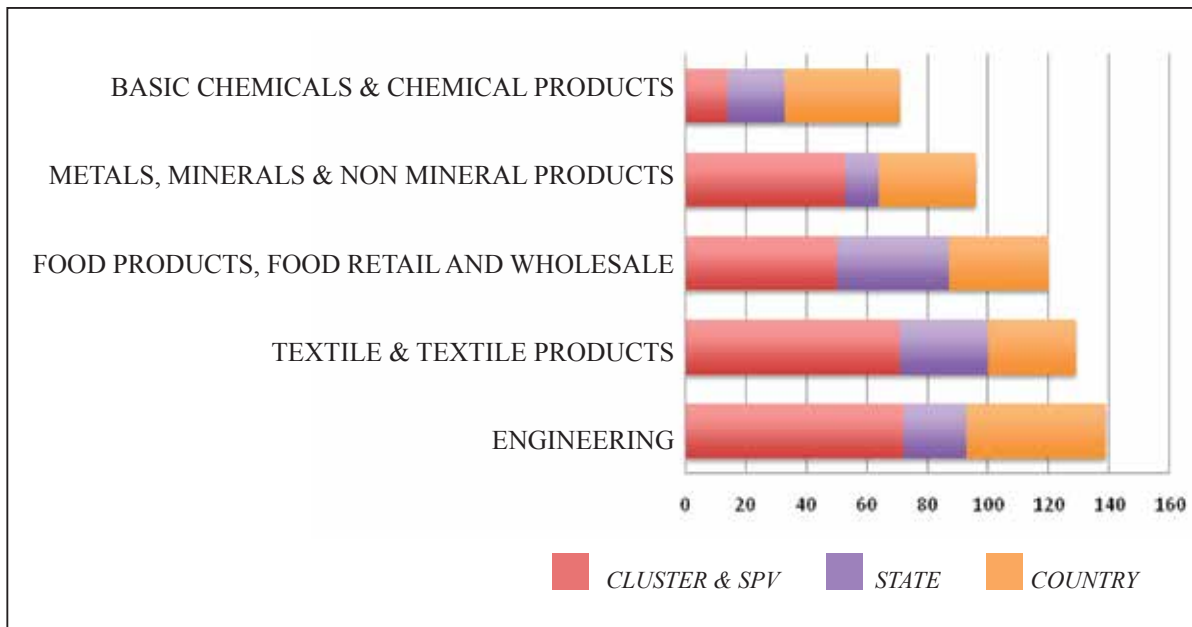
Many a time, BMOs represent a specific product. Out of the 1700 odd BMOs for which information is available with FMC so far, around 952 are product specific BMOs. Based on a clubbed 2-digit National Industrial Classification (NIC), the 831 'product specific' BMOs can be categorised as below.

**Table 2- Spread of Product Specific BMOs**

Sl No	Classification	Cluster & SPV	State	Country	Total
1	Food product, Food Retail and Wholesale	50	37	33	120
2	Textile & Textile Products	71	29	30	130
3	Leather and Leather Products	20	1	5	26
4	Wood and Wood Products	8	3	3	14
5	Paper and Paper Products	0	4	5	9
6	Basic Chemicals & Chemical Products	14	19	38	71

7	Rubber, Plastic, Petroleum and Coal Products	23	18	19	60
8	Metals, Mineral & Non Mineral Products	53	11	32	96
9	Electrical and electronic	27	9	18	54
10	Engineering	92	21	46	159
11	Construction	24	4	7	35
12	Non-Food Retail and Wholesale	34	7	5	46
13	Travel,Tourism,Hotel & Restaurant	24	7	6	37
14	Transport and Warehousing support for transportation	24	2	8	34
15	Education & Research	2	3	15	20
16	Other services	7	3	31	41

**Figure 4 –Spread of Top 5 Product Specific BMOs**



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Some of the major findings of the analysis are as follows:

- Majority of the sectoral BMOs are either at the cluster or country level
- Highest number of BMOs at cluster level belong to the category “ Engineering” followed by “Textiles & Textile Products” and “Metals, Mineral & Non Mineral Products”.
- Highest number of BMOs at state level belong to the category “Food product, Food Retail and Wholesale” followed by “Textiles & Textile Products” and “Engineering”.
- Highest number of BMOs at country level belong to the category “Engineering” followed by “Basic Chemicals & Chemical Products” and “Food product, Food Retail and Wholesale”.
- The category ‘Paper and Paper Products’ have the least number of BMOs followed by ‘Transport and Warehousing support for transportation’ category.

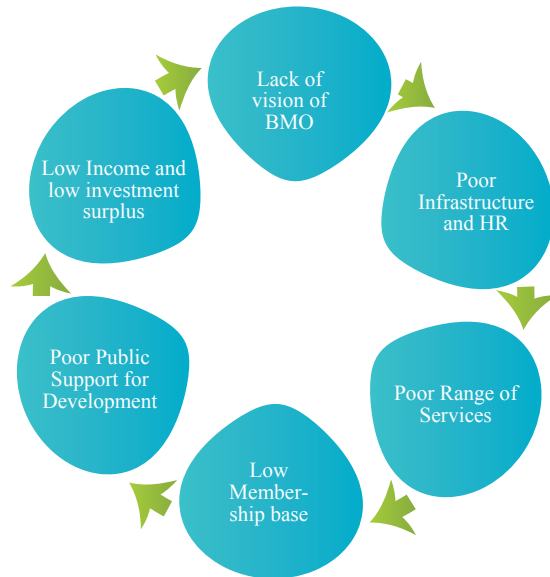
### **1.8 Issues faced by BMOs at District / Cluster / SPV level**

BMOs at the state and country level are relatively strong in influencing the policies related to issues faced by their members. Some of the major challenges faced by BMOs at district/cluster/SPV level are as follows:

- 1) Limited vision: This restricts BMO from having a holistic perspective about the role they can play in the growth process of their members.
- 2) Lack of efficient secretariat: While office bearers remain busy in managing their own factories/establishment, lack of a professional secretariat rules out the implementation of various planned activities, creating further disinterest among members.
- 3) Lack of own office: In the absence of own office, it becomes difficult to get good human resource and function professionally.
- 4) Lack of support infrastructure: Lack of computer, computer trained executives, websites and email practices severely restrict their outreach.
- 5) Poor communication: Most of the BMOs have little understanding of the importance of communication and public relations. This keeps the number of their members low and growth stagnant.
- 6) Limited sources of income: Lack of innovation to introduce income generating services makes the BMO functionally weak to implement its action plan.

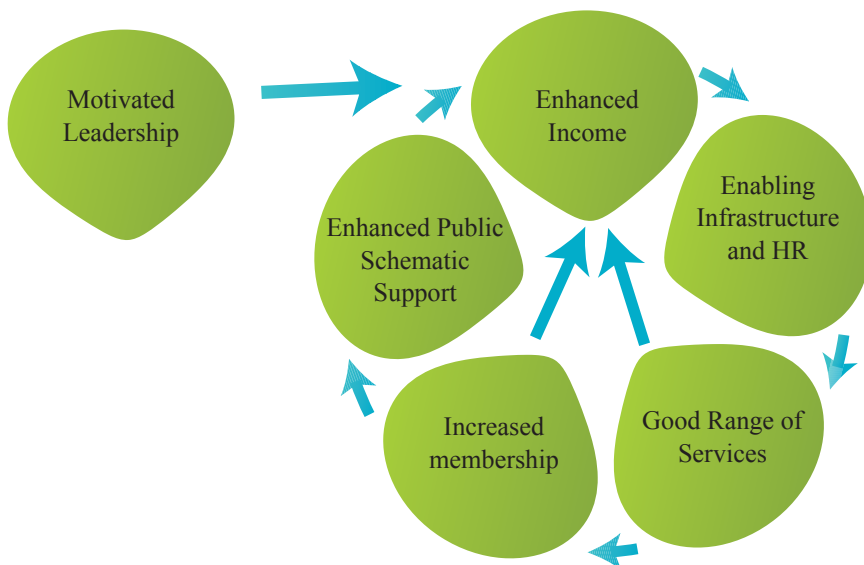
These Challenges may trap BMOs in a vicious cycle of inefficient functioning, low membership base and sustainability issues. The figure below shows that in the pictorial form.

**Figure 5– Vicious Cycle(referred from Training Module of FMC)**



However, an inspired leadership with a solid vision can convert this cycle into a virtuous cycle as exhibited below

**Figure 6– Virtuous Cycle (referred from Training Module of FMC)**



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## CHAPTER 2

### Services by BMOs: Is Infrastructure a bottleneck?

#### 2.1 Introduction

As mentioned in the previous chapter, BMOs face multiple obstacles due to lack of awareness and resources. Amidst all these challenges some BMOs are evolving and delivering to change the status quo. This chapter deals with an analysis of infrastructure available and services provided by the 145 such BMOs who have taken initiatives and applied for the 4th Award for Responsible BMOs, 2018 organized by Foundation for MSME Clusters.

This analysis deals in basic facilities available with BMOs, paid services offered by them to their members and the schemes they have benefited from in their operations. Along with these, the chapter also delves into the employment generation efforts done by BMOs. This analysis is for the period of April 2014 to March 2017. As the analysis is with reference to the limited number of applications; this may not be a representative sample. But this analysis may give an indication regarding the current situation of BMOs.

#### 2.2 Basic Infrastructure Available with BMOs

To function efficiently and be useful for members, at the minimum, a BMO must be registered. Else neither can it open any account nor can it get any support from any agency. Lack of registration also does not make it a serious candidate for promotion of advocacy. The second most important thing is to have its own office facilities. Else a BMO is often perceived as controlled by a person or a group and this limits its growth. After having an office it is important to have paid staff to provide appropriate services. Creation of website add to the branding of the BMO. Above all accreditation through quality certification makes a BMO efficient, more accountable to its members and strongly promotes its openness and raises confidence among its members. The table below shows the availability of the basic facilities like office, paid staff, website, registration and accreditation status of the BMOs.

**Table 3- Percentage of BMOs Having Requisite Infrastructure (2017)**

No of BMOs	Registration	Office	Paid Staff	Website	Accreditation
Cluster& SPV	95%	78%	65%	32%	3%
District	99%	87%	74%	54%	4%
State	98%	79%	86%	78%	9%
Country	100%	92%	85%	90%	3%

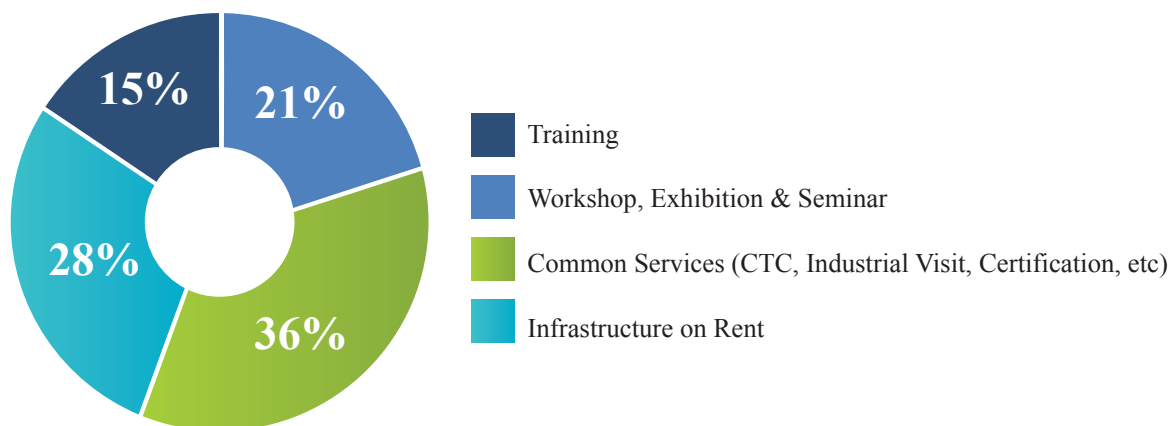
Undoubtedly the BMOs clearly understand the need for registration, 97% of them being registered. However, cluster level BMOs has scope for improvement, when it comes to availability of paid staff. Both cluster and district level BMOs have huge scope for improvement when it comes to market itself and its member through creation of website and also going for quality accreditation. **Hence policy support is warranted in the areas of qualified staff recruitment and website creation.**

### 2.3 Paid Services Provided by BMOs

Paid services refer to the services rendered by BMOs to their members on payment basis. These services create revenue for the BMOs and promote its financial sustainability to pursue more meaningful and useful goals. Analysis of paid services provided by BMOs is for the period of April 2013 to March 2016.

The 236 paid services by 143 BMOs were grouped under six broad heads i.e. 'Training and Skill Development', 'Industrial visit, Exhibition, Seminar & Workshop', 'Joint Activities (CFC, Certification, website etc)', 'Infrastructure on Rent' and 'Cultural & Other Activities'. The analysis of these services is as below.

**Figure 7-Paid services provided by BMOs**



It is heartening to observe that BMOs are evolving and have done highest amount of activities in the category of 'Workshop, Exhibition & Seminar' and 'Common Services' including common facility centre, certification, common rawmaterial purchase, etc. It is followed by 'Training' which also has a remarkable share of all the activities. A sizeable amount of revenue is also coming by providing facilities on rent.

However, 13 BMOs didnot offer any paid services in 3 years. In fact majority, 89 BMOs gave only one paid service to its members in 3 years and 43BMOs offered two or more paid services to its members. **Hence policy support to route MSME promotion activities through BMOs as paid services by them, with partial support of the Government, will be a useful tool.**

## 2.4 Schemes Used by BMOs

Government and other supporting agencies offer various schemes to facilitate working of BMOs. An analysis of scheme usage appears below

**Table 4: Percentage of BMOs that Used/Promoted Schemes(for MSMEs)**

	Cluster%	District %	State %	Country%
<b>One scheme</b>	67%	78%	65%	40%
<b>more than One scheme</b>	13%	14%	23%	55%
<b>No scheme</b>	20%	8%	12%	5%

**Table 5: Schemes Used/Promoted by BMOs (For MSMEs)**

	Scheme
1	Credit Linked Capital Subsidy for Technology Upgradation of DC-MSME
2	Lean Manufacturing Competitiveness Scheme of DC-MSME
3	International Cooperation (IC) Scheme of DC-MSME
4	Scheme for "Building Awareness on Intellectual Property” by DC-MSME
5	Mahatma Gandhi Bunkar Bima Yojana by DC-Handloom
6	National Vendor Development Program by DC-MSME
7	Khadi Direct Benefit Transfer Scheme by KVIC
8	Scheme for Micro & Small Entreprises Cluster Development (MSE-CDP) by DC-MSME
9	Market Development Assistance Scheme of DC-MSME
10	Scheme for promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE) by DC-MSME

## 2.5 Support from Other Organizations

Around 50 organizations provided financial support to the BMOs directly and/or indirectly. These include various multilateral and bilateral agencies as also national development organizations and corporate



**Table 6- Support from Other Organizations**

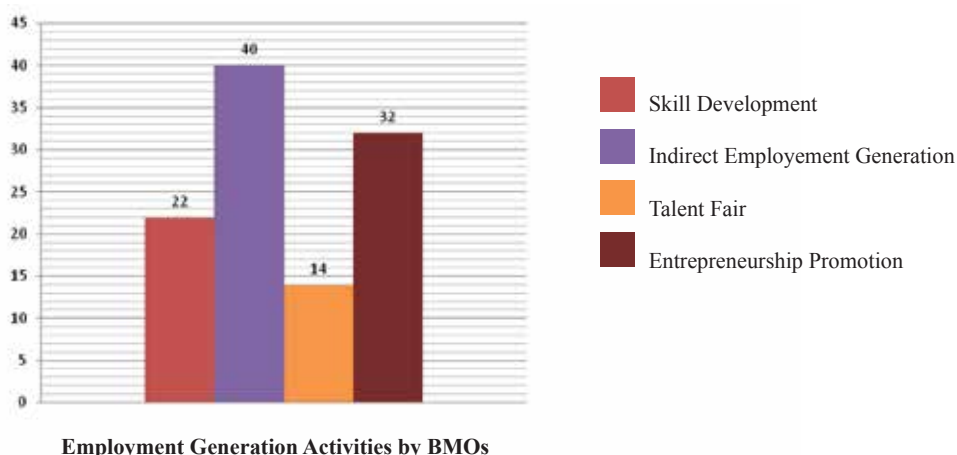
National	International	Corporate
Bureau of Energy Efficiency	Belgium Trade Commission	Accenture
BHEL	European Union	Bekaert Industries Pvt Ltd
Coal India Limited	GEF	Canara Bank
EEPC	GIZ	Doha Bank
NABARD	Global Alliance for Improved Nutrition, Geneva	LIC
QCI	JICA	Oriental Bank of Commerce
SIDBI	SEQUA	PWC
TERI	UNIDO	State Bank of India
	World Bank	Yes Bank

## 2.6 Employment Generation Activities

BMOs have reported promoting several employment generation activities through generalized or specific skill development, entrepreneurship development, job fairs, providing financial linkages and other support activities. A total of 58 such activities were reported. We have categorized them under 4 heads namely 'Skill Development', 'Indirect Employment Generation', 'Talent Fair' & 'Entrepreneurship Promotion'.

- **Skill Development** refers to activities which skills people and make them ready for employment.
- **Indirect Employment Generation** means activities which create awareness and encourage people to take skill development training for better employment prospects.
- **Talent Fairs** create platform for interaction of skilled manpower and organizations in need of human resource and generates employment.
- **Entrepreneurship Promotion** represents the activities which encourages people to start on their own and become job providers.

**Figure 8- Classification of Employment Generation Activities by BMOs (in Percentage)**



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## CHAPTER 3

### Responsible Behaviour by BMOs

#### 3.1 Changing Business Values

The changing business environment has transformed the expectations from business entities. Providing only quality service or product is not good enough as compliance to social and environmental norms are also the order of the day. To create a good image and also to cater to the social needs, industrial organizations are not only following responsible business practices but are also emphasizing on getting responsible value chain partners. Not the least all these add up to the mega challenge of creating better living conditions and sustainable growth.

#### 3.2 Challenges of MSMEs

Traditionally, such responsible business practices were considered important for the large units. However, following environmental and social norms is becoming increasingly relevant not only for large organizations but also for MSMEs as well, due to both legal reasons as well as for satisfying customer, stakeholder and community needs. Even though the MSME sector has a significant impact on the resources, environment and community, they could do little to mitigate the adverse effects created by many of them in the process of industrial growth that caters to millions of employment. This phenomenon is happening due to three principal reasons:

Firstly, the MSMEs lack access to knowledge of responsible production and are sometimes overwhelmed by the various alternatives available. Also, due to their diversified nature and dispersed existence, it is not easy to reach out to MSMEs based in every nook and corner of the country that has an estimated 50 million MSMEs spread across 3.3 million square kilometers.

Secondly, there is a serious lack of availability of efficient and affordable service providers who understand the need and pain of MSMEs and are willing to walk the talk with them in this change process. Also MSMEs often do not feel comfortable enough to discuss their challenges with new faces (service providers) as they are skeptical that they may get penalized by sharing information about their activities and thus get trapped in a vicious cycle.

Thirdly, often individual MSMEs lack the resources to individually address issues which are more of collective dimension, e.g. pollution, relocation of polluting units, alternate energy generation, etc.

Fourthly, MSMEs are not aware of various schemes available with the government and banks for their support.

#### 3.3 Role of BMOs in Promoting Responsible Business

It is here that the BMOs can play a very proactive role. Firstly, BMOs being the most trusted ally of MSMEs can play a very significant role in spreading the word and motivating the MSMEs to come out of the vicious cycle and challenge the sustainability issues upfront. This can be done at a minimum cost as the cost of spreading the knowledge through well informed BMOs is very minimal.

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Secondly, BMOs can pass their trust to the newly found service providers and promote their services. BMOs can negotiate an appropriate price and product suiting the requirements of their members and pass the negotiated advantage to their members.

Thirdly, BMOs as a collective entity can promote various activities like organizing workshop, providing trainings, giving services and creating Common Facility Centers (CFCs) to address various types of activities for promoting responsible business. In all the above cases the activity needs to be linked to promoting or bringing a change in the status quo of sustainable practices.

Fourthly MSMEs need to be made scheme and loan ready by helping them to do due diligence in this respect.

### **3.4 National Voluntary Guidelines: Role of BMOs**

To support responsible businesses, Ministry of Corporate Affairs has proposed National Voluntary Guidelines (NVGs) for organizations with a special mention of its applicability for MSMEs. These guidelines offer nine principles for coherence in the activities and sustainable contribution of those activities. These suggested activities are neutral to the size or turnover of the organizations and can be adopted by MSMEs as well. It encourages businesses to recognize their negative impact on the environment and community, and take steps to mitigate that.

The NVGs designed for individual entities can also act as indicators, for the group of enterprises through their BMOs, to identify areas in need of significant work. Their efforts will help the members of BMOs increasing change without putting much pressure on resources of individual organizations. Above all, NVGs provide the national framework to address the sustainability challenges and provide a confident road map to the MSMEs for following responsible business.

Although NVGs have been prepared at the national level, there is no specific suggestion to our knowledge as to how the BMOs can promote them. In what follows we map some activities, which are indicative and not exhaustive, as to what the BMOs can do on their own or taking support from agencies, institutions and schemes to energize the MSMEs for fulfilling the expectations of the NVGs.

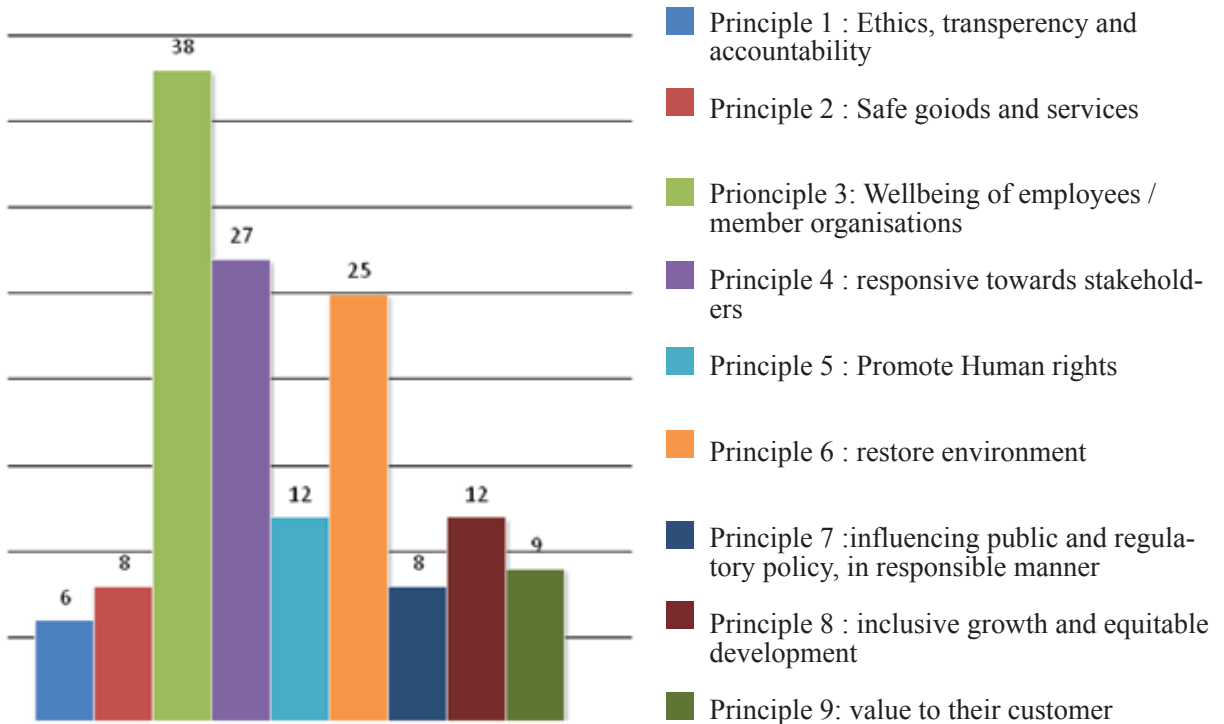
**Table 7- NVGs and Suggestive Role of BMOs**

	NVGs	Suggestive Likely Role of BMOs
1	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	BMOs can help MSMEs to get registered, get bank linkages, be complaint to the law. BMOs can themselves become accredited so as to promote transparency and efficiency.
2	Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	BMOs can help MSMEs for usage of recycled material, energy efficient technologies, efficient product design, reducing water consumption, green house gas (GHG) reduction, etc.
3	Principle 3: Businesses should promote the wellbeing of employees	BMOs should contribute by eliminating child labour, gender mainstreaming through promoting women employment, organizing health camps, tying up/creating hospitals, improving housekeeping/layout plan, reducing dust/noise level, improving illumination, making provision of safe drinking water, etc.
4	Principle 4: Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalized	BMOs should promote regular interactions with the stakeholders of their members and identify key areas to build common response, promoting the vulnerable, provide safe drinking water, providing new employment and entrepreneurship opportunities, etc.
5	Principle 5: Businesses should respect and promote human rights	BMOs can encourage promotion of the concept of human rights among its members and their stakeholders to draw right based response
6	Principle 6: Business should respect, protect, and make efforts to restore environment	BMOs should promote usage of renewable technology, energy efficiency measures, waste minimisation, cleaner production technologies and pollution control by members. Encouraging members to keep their premises and surroundings clean and increasing green coverage will contribute a lot to protect and preserve environment and ecology
7	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	BMOs can promote policy advocacy for responsible production/consumption for larger good.
8	Principle 8: Businesses should support inclusive growth and equitable development	BMOs can ensure appropriate resettlement and rehabilitation of displaced community through collective initiative, support growth of employment
9	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	BMOs should discourage cartelization and persuade members to provide safer products to the customers as compared to what they are producing or getting produced now

### 3.5 Current Roles of BMOs in Promoting NVGs

In order to recognize the efforts made by these BMOs to encourage its members to comply with these guiding principles, the Foundation for MSME Clusters (FMC) has launched “Responsible Indian BMOs Awards”. This award tries to identify efforts made by the BMOs in creating a positive difference in the society and environment. The applications were received for this award highlighting the activities done by the BMOs in order to achieve their goal. These applications have activities related to implementation of the nine principles of NVGs. An analysis of NVGs pursued by these 143 BMOs reveals the following based on the responses provided by them for the period April 2013 to March 2016.

**Figure 9- NVGs and Activities done by BMOs April 2013 to March 2016**



The ultimate goal of being responsible is to move from philanthropy to sustainable co-creation; but this process is incremental and time consuming. The analysis of the responsible activities, done by BMOs, also exhibits a slow changing trend in the activities. The approach is shifting from ad hoc to more long-term perspective.

While BMOs are most active in restoration of environment and promoting wellbeing of stakeholders, community is no longer a bystander of the progress of the organisations and ranks third in importance of responsible activities being promoted by them. Efforts to promote value to customers Is also significant.

**Figure 8- Significant NVG Initiative**

	NVGs	Some Admirable Work being done by BMOs
1	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	BMO Accreditation Promoting direct transfer of funds through Aadhar Card
2	Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Promoting usage of technologies that save energy Promoting manufacture of durable products
3	Principle 3: Businesses should promote the wellbeing of employees	Life Insurance for workers Setting up quarter for labourers Medical camp Setting up of dispensary Private pension plan for retired workers Mechanisation to reduce drudgery Improved sanitation at workplace
4	Principle 4: Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Promoting middleman free market for village industries Skill and Entrepreneurship development for women, unemployed and poverty intensive as well as disadvantaged section of the society
5	Principle 5: Businesses should respect and promote human rights	Promoting well-being of artisans Raising awareness against abuse of human rights Efforts to eradicate child labour
6	Principle 6: Business should respect, protect, and make efforts to restore environment	Plantation of Trees Recycling of Hazardous Material Promoting energy and environment friendly technologies Promoting Organic Farming
7	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Advocacy for eradicating black money Advocacy for cleanliness of workplace and neighboring areas
8	Principle 8: Businesses should support inclusive growth and equitable development	Promoting gender mainstreaming by promoting woman employment and Entrepreneurship. Promoting SC/ST artisans
9	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Programme on safety measures in food processing industry Promoting use of barcode

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# CASE STUDIES



**Shri Ram Bhandare**  
Chairman

## **BELGAUM FOUNDRY CLUSTERS**

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### **BMO Background**

Over a period of four decades, the Foundry Industries in Belgaum have not grown to expected level due to lack of infrastructure facilities, advanced testing facilities, pollution problem & old technology. The cluster leaders, therefore, promoted a Special Purpose Vehicle (SPV), Belgaum Foundry Cluster (BFC) as a Society to take effective steps to overcome the challenges. BFC has undertaken several projects so far that include housekeeping improvement, yield improvement, kaizen implementation, energy efficiency and more. BFC has also developed road infrastructure, established a testing laboratory and a sand reclamation plant with contributions from members and grant support from Government of India.

### **Genesis of Responsible Business Activity**

The foundry sector is highly energy intensive with 70-75% of the energy being consumed in melting, 8-10% in moulding and core making, 5-7% in ladle heating and 12-14% in other utility areas. The association wanted to reduce energy consumption through energy efficient technologies. Sensing great scope, the project titled “GEF-UNIDO-BEE project on promoting Energy Efficiency & Renewable Energy in selected MSME Custers in India” was undertaken in the cluster which was implemented by United Nations Industrial Development Organisation(UNIDO), executed by Bureau of Energy Efficiency (BEE) and co-financed by Ministry of Micro, Small and Medium Enterprises (MoMSME) and Ministry of New and Renewable Energy (MNRE). The aim was





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to increase the level of end-use demand and implementation of energy efficient and renewable energy related technologies. The project also mandated adaptation of energy efficient practices by these foundries, and hence improve local environment through reduced carbon emission.

### **Implementation and Sustainability**

The project incepted in 2013 where top officials from GEF, UNIDO & BEE attended the meeting to discuss with foundry owners about the possibilities and hurdles of attaining energy efficiency in their units. Sensitization workshops and energy audits began in 2015. The project has been implemented in total of 30 foundries of BFC. Energy savings have been achieved through equipment related, process related or practice related initiatives.

Around Rs 6 million has been spent on the project till March 2017 with the BMO members contributing to 70% of the cost. More units are being brought under the umbrella of this project to maximize the impact.

### **Beneficiaries and Benefits**

The total savings achieved by implementing energy efficiency measures in various foundries is Rs 39 million by making an investment of Rs 22 million by these units. The savings will gradually increase over time. There is a spillover effect through reduced carbon footprint, hence adding to the cause of global warming.



**Shri V. Sundaram**  
President

## COIMBATORE DISTRICT SMALL SCALE INDUSTRIES ASSOCIATION

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### BMO Background

The Coimbatore District Small Scale Industries Association (CODISSIA) was registered under the Tamil Nadu Societies Registration Act in 1969. It has a large and diversified membership base, mostly from the manufacturing sector. The association has worked extensively for the development of entrepreneurship, renewable energy and sustainable production. The service portfolio of the association includes skill development, information dissemination, trade facilitation, networking, technical guidance, etc. It is an ISO 9001: 2008 accredited association and is a Gold category BMO under NABET-QCI accreditation.

### Genesis of Responsible Business

The gap between the demand and the supply in the power sector is ever increasing, especially with the setting up of an increasing number of new industries. Tamil Nadu was reeling under severe power shortage when the announcement by the Ministry of New and Renewable Energy about the Solar City Project was made. Coimbatore was the only city in the state of Tamil Nadu which was listed under the solar city project, amongst 60 other cities in India. Thus, the idea of conducting a two-day National level seminar on Energy and Environment was conceived. CODISSIA immediately took up the subject with IIT Madras and sought their assistance to realize this mission.



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## **Implementation And Sustainability**

The idea was conceptualized in 2016 and IIT Madras was approached for support by CODISSIA in this regard. Conference on Energy and Environment was a unique interactive learning forum for the Energy and Environment industry and other industries. Technical research papers were presented by IITs on sustainable production for industries. The conference was combined with an exhibition showcasing the latest technological developments. This unique event attracted senior decision makers within the Indian and international power generation industry across all sections including fossil fuels and renewable energy sector. The themes for the event were green technology, energy conservation, environment and waste management and application of Nano technology in industries.

The cost of the project was Rs 1.6 million. Around 25 per cent of the cost has been recovered through sponsorship from various government and non-government organizations. The remaining amount has been borne by the association itself.

## **Beneficiaries and Benefits**

The seminar has benefitted more than 200 members and non-members providing them practical insight into the latest technologies for energy conservation and waste management. It provided a platform for the micro, small and medium enterprises to connect with companies providing clean technology and energy. It has sown the seed of utilizing clean and sustainable energy and hence prepared the grounds for a better and pollution free future.



## FEDERATION OF GUJARAT INDUSTRIES

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**Mr. Nitesh Patel**  
Secretary General, FGI

### BMO Background

Federation of Gujarat Industries (FGI) was established as a Society in the year 1918 under Societies Registration Act, 1860. FGI, in line with its dynamic and responsive nature, helps the industry to keep pace with parameters like products, market opportunities, partners, competitors, finance for growth etc. Its key services include representation in Government bodies and agencies, liaison and lobbying, networking, etc. It also works for promoting weaker sections of the society, sustainable production and gender mainstreaming. It is an ISO 9001: 2008 accredited association and is a Gold category BMO under NABET-QCI accreditation.

### Genesis of Responsible Business Activity

The Anganwadi Adoption Program had been launched by FGI for providing education to children between 3 - 6 years of age group belonging to economically weaker sections of the community. The focus was to provide satisfactory pre-primary learning, healthcare, supplementary nutrition and other needs of the children including welfare of the girl child. The programme supports creation and maintenance of centres assisted by local women, and other frontline workers including the primary school teachers, local women's group, mahilamandals, etc.



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## **Implementation and sustainability**

In order to balance the health and nutritional parameters of the children, the ‘Anganwadi Adoption & Implementation Program’ was initiated in the year 2012. The project was carried out by adopting 10 Anganwadi Centers (AWCs). FGI approached its members for meeting the expenses of Anganwadis and funds started flowing in for upbringing & sustaining the activity from 2013 onwards. In 2015-16, the FGI Executive Committee started allocation of funds, making budgetary provisions for the cause of setting up and running of Anganwadis. Special emphasis was given to cover nutritional needs of the children by providing healthy meals on a regular basis.

More than Rs 3 million has been spent on the project till March 2017, which has been contributed by the BMO and its members. The initiative stands out as an outstanding example of collective social responsibility by industries, and has high scope of replication in other parts of the country.

## **Beneficiaries and Benefits**

More than 20 people got employed because of this initiative, out of which maximum are women. The programme has benefitted more than 200 children, who got access to education and nutrition. Through this holistic approach to child welfare, FGI has sown the seeds for a healthy and brighter future.



**Mr. V. Anbu**  
DG. & CEO

## INDIAN MACHINE TOOL MANUFACTURERS' ASSOCIATION

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### **BMO Background**

Indian Machine Tool Manufacturers' Association was formed in year 1946 under the Societies Registration Act, 1860. IMTMA has played a leading role in the development of the machine tool industry in India. The major service portfolio of IMTMA includes skill development, trade facilitation, networking, liaison and lobbying, networking, technical guidance, etc. IMTMA is a ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System) certified organization. It is also a 'Gold' level BMO under NABET-QCI accreditation.

### **Genesis of Responsible Business**

Even though India has a huge working age group population the manufacturing industry in the country suffers from lack of skilled labour, especially technicians and engineers. The problem persisted in the machine tool industry as well. IMTMA took the resolve to cover this gap by imparting technical education to the youth as well as the existing workforce. It has set up a Productivity Institute, Finishing School and Design Institute with the aim of filling up the technological gaps. Only in 2015-16 itself, IMTMA has delivered 13344 man-days of training. Along with the regular training programmes, IMTMA also conducts seminars periodically at various centres across the country. The association also undertakes customised training programmes for the companies, customized to their specific requirements.



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## **Implementation and Sustainability**

Indian Machine Tool Manufacturers' Association (IMTMA) has established state of the art technology Centers at Bangalore and Pune consisting facilities like CNC machinery, metal forming presses, robots and automation modules, cutting tools and other required accessories to impart training in all aspects of manufacturing. There are 150 unique training programs from over 80 topics focusing on design, productivity improvement, quality and maintenance, automation, etc. The design institute imparts long term courses for fresh graduates in basic machine design. The 'finishing school in production engineering' provides practical knowledge to fresh engineers on the industrial practices in manufacturing

The estimated cost of the activity is near Rs 30 million, 80 percent of which is recovered through fees and sponsorship. The initiative has delivered quality technical education to a large number of batches, filling the gap in skilled workers in the machine tool industry.

## **Beneficiaries and Benefits**

The activity directly benefits 332 members of the association by providing a steady supply of skilled workforce. A vast amount of employment is also generated with candidates getting placed in national and international companies every year, providing a positive impetus to the society as well as the economy.

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## **Implementation and Sustainability**

NEA partnered with Bharat Vikas Parishad (BVP) in the year 2011. The construction of the pathological lab completed in 2012. Physicians were appointed in 2013 for prescribing tests and medicine. With the passage of time, requirement for more modern tests like USG Arised and NEA with the help of BVP and other donors setup an ultrasonography lab in 2016. In the same year, the physiotherapy and dental clinic started its operation. These all are run at no cost or very low cost, to avoid misuse.

The total cost of the setting up the facility was Rs 3 million, which was borne by members of NEA and BVP. The operational cost is Rs 1.2 million, which is mostly covered through donations by members and even non-members of NEA. BVP also bears a part of the operational cost. The project stands out as an example of collective responsible behaviour, improving on the living standard of the workers, as well as benefiting the employers by maintain a healthy workforce.

## **Beneficiaries and Benefits**

The facility serves more than 60 patients daily. Though targeted only for the workers, the facility is now open to everybody and infact, about 10% of the daily patients are from the local residential area. This has helped in reducing healthcare cost, and has improved on employee retention, hence increasing productivity.





## INDIAN TEXTILE ACCESSORIES & MACHINERY MANUFACTURERS ASSOCIATION

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**Mr. Kaizar Z. Mahuwala**  
President

### BMO Background

Indian Textile Accessories & Machinery Manufacturers Association (ITAMMA) has been established in the year 1943 under Societies Registration Act. Major service portfolio of ITAMMA include information dissemination, technical and financial guidance, networking and skilling, etc. It is an ISO 9001: 2008 accredited association and is a Diamond category BMO under NABET-QCI accreditation.

### Genesis of Responsible Business Activity

The Office of DCMSME has come up with a Lean Manufacturing Competitiveness Scheme (LMCS). The programme supports 80 per cent of the consultancy cost of imparting various steps that can enhance productivity and reduce operational cost, provided a group of units go for it. National Productivity Council (NPC) and Quality Council of India (QCI) are implementing the scheme. ITAMMA understood that lean methods will lead to sustainable production and thereby promote responsible business.

### Implementation and Sustainability

The first cluster was formed in Ahmedabad in 2012 which consisted of 12 members. This was one of the first 100 clusters formed in India during the pilot phase of the scheme. Subsequently the second cluster was formed in



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2013 with 6 members. The association also created a common facility centre in 2010-11 for helping its members to develop substitute of textile machines, spares, components, etc at Ahmedabad, Gujarat. Several seminars and training programmes were conducted on lean manufacturing techniques. The members of the lean group were also provided an exposure visit to gain insight about the practicality of the lean techniques.

The members saw reduced energy cost, increase in productivity, reduced waste generation and hazardous emissions. The first group provided several learning which was taken care by the second group which was formed 2013. A total cost was estimated to be Rs 4.6 million, 80% of which has been contributed by the Government.

### **Beneficiaries and Benefits**

The value benefit to 18 units for implementing lean techniques is more than Rs 20 million. Implementation of lean techniques has increased productivity, together with reducing impact on environment. Implementation of 5S techniques has enhanced safety measures.



**Mr. Bharat Dinesh**  
President

## **JODHPUR HANDICRAFTS EXPORTERS ASSOCIATION**

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### **Background**

Jodhpur Handicrafts Exporters Association (JHEA) was registered under Rajasthan Societies Registration Act, 1958 in the year 1998. This Association is a pivotal body, providing valuable support to its members to achieve a sustained growth in the export of handicrafts. The major objective of the association is to co-ordinate the export promotion activities and mitigate the grievances of the members. It provides an array of services which includes advocacy, organizing seminars and workshops, trade fairs, skill development, etc.

### **Genesis of Responsible Business Activity**

Globalization has imposed a severe constraint to the livelihood of women of Rajasthan. The women who have migrated to the urban areas from the Thar region due to long drought spells are the most vulnerable. These women needed capacitation through skill development access to knowledge & resources. The workforce in the handicraft sector was also dwindling. To cover both the needs, the project titled “Human Resource Development of Women Artisans and Craftsman” was initiated by JHEA where the major objective was to train women in handicraft production and also upgrade the existing skills of the women handicraft artisans. There was also an emphasis to promote women entrepreneurs, especially those who belonged to scheduled caste and scheduled tribe category.



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## **Implementation and Sustainability**

This skill development programme started in 2009, which consisted of 15 batches. The programme was focused on design development, production techniques, marketing and entrepreneurship. The batches were gradually increased at the rate of 5 batches each year. Initially trainings were given at the association office. But as the batches grew in number, JHEA had to build a community facilitation centre with support from Ministry of Textiles and Ministry of Commerce and Industry, Government of India. JHEA also facilitated the placement of these women in the handicraft industry. These women were also provided handholding support to establish their own export business.

An amount of Rs3 million has been spent on this programme as on March 2017. A significant portion of this amount has been supported by Ministry of Textiles, Export Promotion Council for Handicrafts, National Institute of Design (NID) and Small Industries Development Bank of India (SIDBI).

## **Beneficiaries and Benefits**

More than 750 women have been employed through this activity. The programme has produced more than 50 startups who are successfully exporting to various countries. The activity has also benefitted the entire industry by ensuring availability of skilled labour.



**Mr. Nitin Kunkolienker**  
President

## MANUFACTURER'S ASSOCIATION FOR INFORMATION TECHNOLOGY

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### **BMO Background**

Manufacturer's Association for Information Technology (MAIT) was set up in 1982 as a society with the objective of developing a globally competitive Indian IT Industry, promoting the usage of IT in India, strengthening the role of IT in national economic development, promoting business through international alliances and promoting quality consciousness in the IT Industry. Its major service portfolio includes research, information dissemination, networking, liaison and lobbying, etc. It is a Gold category BMO under NABET-QCI accreditation.

### **Genesis of Responsible Business Activity**

The Ministry of Electronics and Information Technology (MEITY) initiated the project "Awareness Programme on Environmental Hazards of Electronic Waste" in March 2015 under the aegis of the 'Digital India' initiative of the Government of India. The objective set out was to create awareness amongst various stakeholders to reduce the adverse impact on environment and health caused by improper disposal of E-waste. In addition, the project also intended to help in effective implementation of E-waste Management Rules 2016. MAIT has been spearheading the efforts to increase awareness on e-Waste issues as well as legal compliance to the E-Waste



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Rules. The target group for sensitization included manufacturers, refurbishers, informal sector workers, dealers, bulk consumers, localities, college and schools.

### **Implementation and Sustainability**

The project commenced in 2016 wherein MAIT has developed content on e-waste awareness, which includes training manuals, films, radio jingle, posters, etc. A website was also developed to act as a repository of the awareness material and facilitate consumers to dispose e-waste properly. A mobile app was also developed on the same line to target the youth. Awareness activities were carried in 10 states across India, reaching out to informal sector workers educating them on hazards of e-waste. E-waste estimation studies were also carried out across India. The disposal practices observed during the study, especially those followed by bulk consumers has brought about changes in strategies and policies for managing e-waste.

The total project had cost of Rs 17 million which has been funded by Software Technology Parks of India through Ministry of Electronics and Information Technology.

### **Beneficiaries and Benefits**

All section of the society and market players benefitted from the project. 7600 local community members who were not members of this BMO benefitted from the project. Around 4,000 informal sector workers were educated on the hazards of e-waste.

The program managed to reach a total of 1,23,351 participants across all stakeholders in the targeted cities. Despite numerous challenges, the program managed to accomplish the desired impact envisaged during the planning stage and also brought to light certain learning which would help refine similar programmes in future.



## NANDI KHADI GRAMODYOGA SANGHA

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**Shri M B Nagsraj**  
Secretary

### **BMO Background**

Nandi Khadi Gramodyoga Sangha was registered under Karnataka State Society Act in the year 1992. Its main objective of this organisation is to promote Khadi activities in Karnataka. The Society has a silk composite unit, a cotton spinning unit, and a cotton and silk blending production facility. The society is also having seven sales outlets spread across Sidlaghatta town and Bengaluru city. The service portfolio of the Society mainly includes provision of common production facilities, promotion of khadi products under common brand name 'Khadi Nation' and also taking care of welfare of artisans and workers.

### **Genesis of Responsible Business Activity**

The Society has one of its production centres in the remote areas of Sidlaghatta, Karnataka. The marginalised workers like weavers and spinners face much trouble getting an accommodation nearby the production centre, because it is either not available or too expensive. Consequently, many workers opted to quit their jobs. The Society planned to construct quarters for the skilled and semi-skilled workers, mainly for those who came from Andhra Pradesh. Major objective of the project was to contribute to the welfare of the marginalised workers by accommodating them without charging any rent. This also addressed the issues of production loss.

### **Implementation and Sustainability**

Construction of ten workers' quarters was planned and started in the year 1993. The work was completed in the year 1995. This was the first phase of the project. The project got sluggish in between due to non-availability of



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fund. With the turnover of the production centre reaching new heights in the year 2013, the second phase of the project started. Seven additional quarters were constructed and it was inaugurated by the CEO, KVIC in the year 2016. The Society has also submitted a proposal to KVIC for construction of living-cum-working sheds for 50 SC/ST worker families, which is at an approval stage. Total cost of the project is Rs 1.5 million which was borne by the Society. The electricity and water in the quarters are completely subsidized using the surplus funds from the production centre. The project stood out as an example in Karnataka as no other association in the state has claimed to construct and provide quarters for free to the workers.

### **Beneficiaries and Benefits**

17 marginalised workers and their family got directly benefitted from the project as it made it more sustainable for them to reside and work in Sidlaghatta. Access to free water and electricity improved their standard of living many folds. With a greater worker retention capability, the turnover of the production centre also improved by more than 10 per cent.





**Mr. Vipin Malhar**  
President

## NOIDA ENTREPRENEURS ASSOCIATION

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### BMO Background

Noida Entrepreneurs Association was registered as a society in the year 1978 under the Societies Registration Act, 1860. It is an industry-led and industry-managed organisation whose main purpose is to maintain smooth functioning of the industry and facilitate growth of the micro and small units through specialized interventions. Its major service portfolio includes information dissemination, networking, liaisoning and lobbying, trade facilitation, etc. It also works for promoting health, infrastructure and environment.

### Genesis of Responsible Business Activity

While promoting the welfare of workers in their industrial area, it came to the notice of the association that in spite of the presence of government healthcare facilities the workers are suffering from want of healthcare. If an ailing worker had to visit a hospital for diagnosis, their entire workday is wasted, hence losing their daily wage. On the other hand, the units also lose on production. This led to the requirement of a basic healthcare facility inside the industrial area. NEA tied up with Bharat Vikas Parishad to setup a diagnostic clinic so that required pathological tests can be done at subsidised rate. Later considering the requirement of the patients, an outdoor patient clinic, an ultrasonography facility, physiotherapy and dental clinic was also setup in the same premises. The facility boasts of having state of the art infrastructure with 2 full time doctors and 15 support staff, serving more than 300 patients on a weekly basis.





**Shri Sushil Goel**  
President

## **NORTH -WEST INDUSTRIAL AREA CETP SOCIETY**

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### **BMO Background**

The North-West Industrial Area C.E.T.P Society was registered under Societies Registration Act, 1860 in the year 1996. In the year 1996 Hon'ble Supreme Court directed that the DPCC should appoint consultant to study and recommend ways and means to handle industrial effluents in Delhi. DPCC appointed NEERI. NEERI after detailed survey recommended that 15 common effluent treatment plants should be set up in Delhi to cater to all industrial estates of the capital. The North-West Industrial Area C.E.T.P Society constructed and operates one such plant. The plant was developed with 50% contribution from the industry and remaining from central and state governments.

### **Genesis of Responsible Business Activity**

Acidic water from the industrial belts of northern India, when discharged into the Yamuna, leads to a severe case of river water pollution, making the water unfit for domestic and agricultural use. In view of this dire situation, the Government of India decided to set up plants for treating waste water and recycling it for future use, before discharging it into the rivers. The association decided to install such a plant and a resolution was reached.



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## **Implementation and Sustainability**

Plant construction was started in 1996 and the plant started functioning around 2004 and is running till date with contribution from members. In an effort to reduce water pollution, the plant treats contaminated waste water discharged from factories and removes the polluting elements from the water before discharging it into the river Yamuna. A number of other bodies were involved in the setting up and functioning of the plant, which was constructed as per the guidelines of DSIIDC and NEERI.

The total annual cost of running the waste water treatment plant has decreased from Rs 110 lakhs in 2014-15 to Rs 99 lakhs in 2016-17, while contribution by BMO members has increased from Rs 99 lakhs in 2014-15 to Rs 150 lakhs in 2016-17, indicating the sustainability of the project.

## **Beneficiaries and Benefits**

Around 450 members of the BMO, apart from those 20 people who got employment due to the project, have benefitted from the river pollution combat services provided by the plant. In an industrial area having nearly 400 units, where the sewage treatment plant is located, it is not feasible for every unit to set up respective treatment plants and sewer lines that leads to rivers. So, a common single unit is set up to accumulate their effluent and treat it before discharging it to the Yamuna, leading to a huge reduction in waste water treatment costs and a far more efficient treatment procedure. The plant is contributing significantly towards reduction of pollution in the Yamuna in the Delhi region and has benefitted the entire population living in and around the area where the plant has been set up.



**Mr. Bhim Rana**  
President

## PANIPAT DYERS ASSOCIATION

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### Background

Panipat Dyers Association was established in the year 2000 with the aim to facilitate growth of the dyeing units of the region. It addresses common concerns of the units and handles all representations on their behalf to several government departments and semi-government institutions. The service portfolio of the association includes information dissemination, liaison and lobbying, networking, etc.

### Genesis of Responsible Business Activity

The dyeing process requires substantial amount of water and the depleting groundwater reserves posed a threat to the dyeing units of Panipat. The groundwater level, which used to be at 150 ft had gone down to 300 ft, due to over-drawing. The units had to purchase water to continue their production process, which increased their production cost. The Panipat Dyers Association overcame this problem by installing a rainwater harvesting system, coupled with a water recycling facility. The initiative helped to reduce cost of production by providing an alternative source of water supply. There was also a positive impact on the environment, boosting groundwater level for the local community.



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## **Implementation and Sustainability**

The construction of rainwater harvesting system started in 2015 with the consent from all member units. All the member units funded the project. The plant got fully operational by next monsoon, providing a significant quantity of water for dyeing industries. The results were visible immediately as the units saved a substantial amount of money on water purchase.

The cost of construction was Rs 6 million, which was fully borne by the members. Construction of additional harvesting units have been planned for the future.

## **Beneficiaries and Benefits**

More than 50 members and the local community got benefited from this exemplary activity. The industries saved more than Rs 10 million annually. The activity has successfully prevented environmental degradation and averted many possible health hazards, thereby setting an example for others to follow.



**Mr. Buddhadeb Sengupta**  
President

## **SANTINIKETAN ARTISTIC LEATHER GOODS MANUFACTURERS WELFARE ASSOCIATION**

### **Background**

Santiniketan Artistic Leather Goods Manufacturers Welfare Association (SALGMWA) is registered as a society in 2005 under West Bengal Societies Registration Act, 1961. The association acts as a common platform for the manufacturing units and artisans of the cluster for promoting constructive interaction, giving equal importance to development of leather goods industry as well as social causes like education, social security, women empowerment, etc.

### **Genesis of Responsible Business Activity**

Santiniketan leather goods enjoys a prominent place/market niche in India and abroad. The cluster products are known as “Shanti Leather Products” which have beautiful coloured graphic design with embossed batik print. Though the demand for Santiniketan Leather products are famous nationally and internationally, the artisans and other stakeholders of the cluster were financially weak and due to this reason, the producers could not maintain uniqueness, accuracy and mass production.

Hence the association took upon the initiative of linking financial schemes with their members. The aim was to aware, motivate and strengthen the member artisans financially through multiple interventions and handholding supports. The activities included awareness programmes, providing raw material on credit, handholding in obtaining loans and repayment.



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## CORE AREAS

- Entrepreneurship Education & Research
- Micro Enterprises, Micro Finance and Sustainable Livelihood
- SMEs & Business Development Services
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- Social Entrepreneurship & Corporate Social Responsibility
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## **Implementation and Sustainability**

The activity was initiated in 2012. A series of awareness programmes were organized once a month for an entire year. A raw material bank was also setup as the materials had to be collected from the nearby city of Kolkata, which was then given on credit to member and non-member artisans. Handholding support was provided to artisans to get loan from banks. The association also looked after the repayment of the bank loan.

The total cost of the activity is Rs 2 million, which is mostly borne by the BMO itself. Support has been received from several private and public-sector banks, which has ensured sustainability of the activity.

## **Beneficiaries and Benefits**

Due to this initiative, total bank finance has gone above 3 crores in the period April 2014 to March 2017, benefitting 30 members. Other than members, 42 non-members got financial support from the banks, whose proposals were prepared by the association. The activity has created a backbone for future growth for the entire cluster.



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  - c) NCVT affiliated long term training courses.
  - d) High End Management Programme such as Six Sigma, Project Management, Logistic & Supply Chain Management etc.
  - e) Other short term training programme, Digital Marketing, Export Documentation & Marketing, MS Project, Solar PV Technology, Robotics & Automation, 3 D Printing, TQM, Internal Auditor, Energy Management etc.
  - f) Tailor-made & corporate training programme.
- 4) TESTING SERVICES
  - a) Physical, Chemical & Metallurgical Testing of Engineering components
  - b) Defect Investigation Studies
- 5) PRODUCT DEVELOPMENT –
  - a) Rapid Product Development & manufacturing of Castings & Forgings
  - b) Design Development & Manufacturing of Dies & Patterns
  - c) Conventional & CNC Machining of Cast & Forged components
  - d) Investment Casting

**For details , Please contact- MSME-Technology Development Centre (PPDC)  
Foundry Nagar, Agra- 282006, Ph- 0562-2344006, 2344673, Fax: 0562-2344381  
Email: [info@ppdcagra.in](mailto:info@ppdcagra.in), Website: [www.ppdcagra.in](http://www.ppdcagra.in)**



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