

Promoting Responsible Business by BMOs



By



Foundation for MSME Clusters

Supported by:



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Foundation for MSME Clusters

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Acknowledgement

There are a rich variety of public and private initiatives for enabling MSMEs to improve their overall performance leading to better profitability and sustainability. In this process of evolution, responsible business concepts have been adopted by several individual and collective endeavours to ensure that MSME sector makes its contribution to inclusive growth. Cluster development concept has taken firm roots in India and is extensively supported by quite a few Ministries in the Government of India, led by the Ministry of MSME. Increasingly the State Governments have also been focusing on cluster approach and some have even formulated their own cluster development policies and schemes.

This change necessarily needs strong local governance system led by Business Member Organisations (BMOs) at various levels. Going a step further product specific BMOs have also been promoted in many clusters. Promotion of Special Purpose Vehicles (SPVs) driven by government schemes has also taken place in many clusters. Many of these BMOs have performed very well and transformed underperforming clusters into vibrant clusters. In doing so, successful innovative models of growth have been created. These BMOs and their leaders have however remained unsung beyond their limited local geographical domain.

The Foundation for MSME Clusters being the premier organisation devoted to the cause of MSMEs and clusters, deemed it appropriate and timely to identify such BMOs that have made noteworthy contributions in the growth and development of MSMEs and therefore launched the “Awards for Responsible BMOs” programme and invited BMOs across the country to apply. The overwhelming numbers of applications received have been evaluated by an independent agency and the final selection of awardees has been made by eminent jury.

We are deeply obliged to the Hon'ble Minister for MSME for supporting the Awards programme. We are equally grateful to Sri.Madhav Lal I.A.S., Secretary, Ministry of MSME for inaugurating and giving away the awards.

We are thankful to the sponsors European Union (EU), Small Industries Development Bank of India (SIDBI), Reliance Commercial Finance and Quality Control Institute of India (QCI) whose support has been critical for the programme. We are grateful to the supporting partners German Agency for International Cooperation (GIZ), Global Reporting Initiative, Indian Institute of Corporate Affairs, United Nations Industrial Development Organisation (UNIDO) and Yes Bank for their unflinching support. We are also grateful to Magazine Partner SME World and technical partners Birla Institute of Management and Technology (BIMTECH) and India SME Technology Services Ltd. for efficiently doing the arduous job of evaluation.

The jury under the Chairmanship of Mr. S.K. Tuteja, Former Secretary, Ministry of MSME, Dr. H P Kumar, Former Chairman, National Small Industries Corporation, Mr. Rakesh Rewari, Director, Board of National Small Industries Corporation, Mr. Viraf Mehta, CSR Expert and former Chief

Executive, Partners in Change, and Dr. Annapurna Vancheswaran, Director, Sustainable Development Outreach Division, The Energy and Resource Institute have given us valuable guidance and support to us in framing the parameters for evaluation and in the selection of award winning BMOs. We are indeed deeply obliged to them.

The information received from the 129 BMOs who applied for the awards has enthused us to undertake quick research on the various innovative services that the BMOs are offering to their members and relate them to National Voluntary Guidelines (NVGs) of Ministry of Corporate Affairs on responsible businesses. The study has given us an insight of the possible percolation of NVGs into the MSME Sector and the BMOs. We have presented the findings in this publication along with inspiring case studies of 14 BMOs who have reached the final round. This is yet another effort of FMC to encourage MSMEs and their BMOs to adopt NVGs passionately in their businesses in the spirit of doing good business. We are immensely thankful to Essar Foundation for part sponsoring the research and publication. Our sincere thanks are also due to the advertisers.

We believe that this programme will go a long way to facilitate MSMEs to recognise the business case and moral imperative for adopting sustainable and responsible business practices. There are numerous good ideas and inspiring stories that other BMOs may like to replicate in the years to come.

Mukesh Gulati
Executive Director

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BMOs: Types, Presence and Challenges

1.0 Backdrop

World over, small firms have given big boost to the economies. The Indian economic growth story has also had significant contributions from Micro, Small and Medium Enterprises (MSMEs). They are estimated to account for about 45 per cent of manufacturing output and 40 percent of the total exports of the country. Globally, small scale units 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: Definition of MSMEs as per MSMED Act, 2006

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 Rs.100 million	More than Rs 20 million but does not exceed Rs. 50 million

The existence of Indian MSMEs is deep rooted in clusters¹. It is estimated that 70% of the manufacturing enterprises exist in cluster. Clusters of MSMEs are present all over the country. The 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 related to lack of “targeted joint action” and promotion of passive cooperation among the enterprises and inadequacy of credit, infrastructure, technology, human resources, market, knowledge etc.

Of late, issues related to responsible production has also emerged as an area of critical importance. The question is whether MSMEs can handle or afford to handle these challenges single handedly or are there suitable entities who can help them in addressing these challenges of sustainable growth?

¹ A cluster is a sectoral and geographical concentration of MSMEs, facing common opportunities and threats

1.1 New Paradigm of Development Management

Most of the public schemes of assistance are now targeted through BMOs with substantial resources allocated to them. The BMOs are still in the process of evolution to take up this role of leading and coordinating the development work.

Chart - 1



1.2 What is a BMO?

Business Membership Organization (BMO) refers to any organization in which companies or individual entrepreneurs are members. Thus, it refers to chambers of commerce, industry associations, Special Purpose Vehicles (SPVs) of enterprises/entrepreneurs, federations and apex bodies, employers' organizations, etc. They serve as a link between Government, entrepreneurs, service providers and other stakeholders.

Until the late 1990s the country was mostly having national, regional, district and sectoral level BMOs. However, with the advent of the Cluster Development Program in late nineties, cluster level BMOs started spreading throughout the country. Of late, also within clusters, activities specific BMOs, popularly known as SPVs have also become a very common phenomenon.

1.3 Types of BMO

BMOs get registered under any one of the following acts: (a) Societies Registration Act (mostly), (b) Trusts Act, (c) Cooperative Societies Act, (d) Companies Act (mostly u/s 25-currently u/s 8), (e) Producers' Company, etc. The registration does not give strong basis for classification of BMOs. Functionally and Geographically the BMOs can be broadly classified as given in the table below (Table 2).

Table 2: Broad Classification of BMOs

	Product	Geographic Coverage	Overall Purpose	Type of BMO
1	All	Country	Growth and development of specific industry/industrial sector or industry and trade as a whole at the national/regional/state level	Country level Chamber of Commerce and Industry
2	All	State		Regional or State Chambers of Commerce and Industry
3	All	District		District Chamber of Commerce and Industry. District MSMEs
4	All	City		Industrial Estates with mixed type of Industries
5	All	Mixed		Mixed
6	Product/Industrial sector Specific	Country	Growth and development of product specific industry/industrial sector as a whole	Country level BMOs
7	Product specific	State		State level product/industrial sector based BMOs
8	Product Specific	City	Growth of the specific industry, trade or industry and trade as a whole	Product specific Industrial Estate /Park
9	Product specific	District/block/city/village	Focused product for cluster as a whole	Cluster level product specific BMO
10	Activity specific		Focused product for part of a cluster	SPVs for specialized purposes

1.4 BMOs across the country

It is estimated that there are around 3500 BMOs in India. On the basis of data of over 1100 BMOs available with the Foundation for MSME Clusters, state-wise presence of BMOs have been classified according to their geographical presence and basic objectives, as presented in the figures below. However this data is only indicative and will give a truer picture with the availability of data of 3500 BMOs.

Table 3: Statewise presence of BMOs

	Total	Cluster	State	District	Country	Inter-national
Andaman	2	0	1	0	1	0
Andhra Pradesh	38	26	8	4	0	0
Assam	6	2	4	0	0	0
Bihar	5	2	3	0	0	0
Chandigarh	2	0	2	0	0	0
Chattishgarh	4	2	2	0	0	0
Delhi	84	14	4	0	66	0
Goa	5	0	5	0	0	0
Gujarat	113	79	27	0	7	0
Haryana	40	35	1	1	3	0

Himachal Pradesh	2	0	1	1	0	0
Jammu Kashmir	3	1	1	0	1	0
Jharkhand	8	4	4	0	0	0
Karnataka	57	34	18	3	2	0
Kerala	14	7	4	1	2	0
Madhya Pradesh	19	6	12	0	1	0
Maharastra	94	30	13	1	50	0
Manipur	4	3	1	0	0	0
Meghalaya	4	1	3	0	0	0
Mizoram	4	2	2	0	0	0
Nagaland	8	7	1	0	0	0
Odisha	34	27	6	0	0	1
Pondichery	3	2	1	0	0	0
Punjab	152	129	19	0	4	0
Rajasthan	75	64	9	1	1	0
Tamilnadu	93	65	15	4	9	0
Telengana	6	3	3	0	0	0
Tripura	3	1	2	0	0	0
Uttarakhand	8	7	1	0	0	0
Uttar Pradesh	87	72	5	0	9	1
West Bengal	128	71	15	12	30	0
Total	1105	696	193	28	186	2

1.5 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.

- 7) **Limited scheme knowledge:** Lack of awareness about different government schemes deprives them to get benefited from available external support.
- 8) **Non-registration:** In some cases, BMOs do not get registered and as a result they fail to benefit from many programs specifically designed for them.

These Challenges may trap BMOs in a vicious cycle of inefficient functioning, low membership base and sustainability issues.

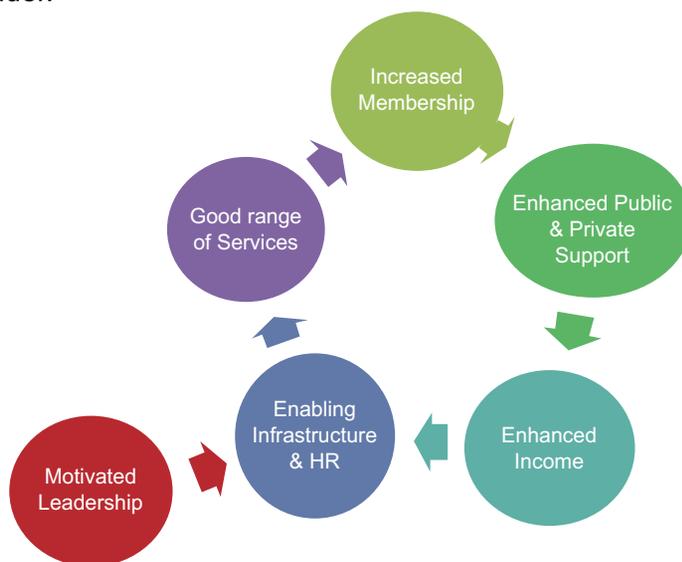
Chart - 2



Vicious Cycle

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

Chart - 3



Virtuous Cycle (referred from Training Module of FMC)

Promoting Responsible Business by BMOs

2.1 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.

2.2 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 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 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 the nook and corner of a country that has 50 million MSMEs spread across 3.3 million square kilometres.

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 sceptical that they may get penalised 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.

2.3 Role of BMOs

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 requesting 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.

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 organising workshop, providing trainings, giving services and creating Common Facility Centres (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.

2.4 Role of National Voluntary Guidelines

To support such 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 are designed for individual entities as also group of enterprises through their BMOs to identify areas where they can play a significant role. Their efforts will help their members in creating change without putting much pressure on their resources. 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.

2.5 National Voluntary Guidelines: Role of BMOs

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 energise the MSMEs for fulfilling the expectations of the NVGs.

Table 4 : NVGs and suggestive role of BMOs

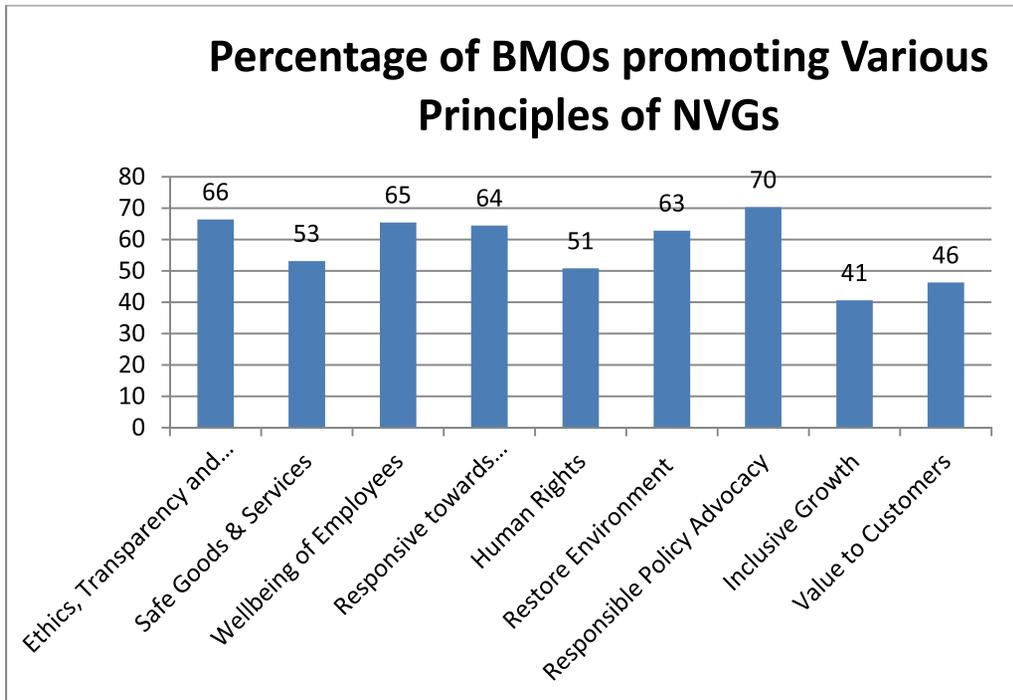
NVG	Suggestive Likely Role of BMOs
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	BMOs should help MSMEs to get registered, get bank linkages, be complaint to the law.
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	BMOs should help MSMEs for usage of recycled material, energy efficient technologies, efficient product design, reducing water consumption, green house gas (GHG) reduction, etc.

Principle 3: Businesses should promote the wellbeing of employees	BMOs should contribute by eliminating child labour, gender mainstreaming through promoting women employment and women entrepreneurship, organizing health camps, tying up/creating hospitals, improving housekeeping/layout plan, reducing dust/noise level, improving illumination, making provision of drinking water, etc.
Principle 4: Businesses should respect the interests of, and be responsive towards stakeholders , especially those who are disadvantaged, vulnerable and marginalised	BMOs should promote regular interactions with the stakeholders of their members and identify key areas to build common response
Principle 5: Businesses should respect and promote human rights	BMOs to encourage promotion of the concept of human rights among its members and their stakeholders to draw right based response
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
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	BMOs should promote policy advocacy for responsible production/consumption for larger good.
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
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

2.6 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 NVGs' nine principles. An analysis of NVGs pursued by these 129 BMOs reveals the following based on the responses provided by them.

Chart - 4



- Traditionally BMOs have assumed the role of policy advocates. The high score in a number of non-advocacy related principles suggest that it is changing. But highest score in 'Policy Advocacy' (Principle 7) demonstrates that BMOs still consider advocacy on policy related issues as their primary responsibility.
- The Principles with the scores above 60 i.e. 'Ethics, Transparency & Accountability'(Principle 1), 'Wellbeing of Employees'(Principle 3), 'Responsive towards Stakeholders'(Principle 4) and 'Restore Environment'(Principle 6) show that these are followed or intended to be followed by majority of the BMOs and a lot of work is being done in these areas.
- The lowest score in 'Inclusive Growth' (Principle 8) can be attributed to the fact that most of the BMOs and their member organizations might not have faced situations where rehabilitation or resettlement has to be done or might not have engaged in such activities
- Low score in 'Value to Customer' (Principle 9) and 'Human Rights' (Principle 5) show that much needs to be done in these areas by BMOs.

Some changes that made a difference

3.1 Area of change

There were numerous stories of change. Some were radical and some were incremental; some thought of the community and some addressed problems close to home. In many cases the government played an important role.

We have classified all activities of the BMOs in 5 categories, namely, advocacy, training, education, infrastructure and services (top 3). Each of these 5 categories services have further been broken in terms of their thrust whether these belong to economic domain or social/environmental domain

Table 5 : Activities of BMOs - Economic, Social and Environmental

Advocacy (Government & Enterprises)		Training		Workshop/ Seminar		Infrastructure		Services/Delegation tour/ Industry Visit (National/	
Economic	Social & Environmental	Economic	Social & Environmental	Economic	Social & Environmental	Economic	Social & Environmental	Economic	Social & Environmental
Taxation, including direct and indirect taxes, VAT	Organized Swatch Bharat Abhiyan & Adopted villages	Skill Development & Technology Up gradation	Training in running Community Radio	Industry Specific Technical Seminar/Workshop	Renewable Energy, Environment Friendly Production	Common Seminar Hall, Exhibition Centre, Common facility centre	Common Effluent Treatment Plant	National & International Trade Fairs (Participation & Organization)	Health Camps & Blood Donation Camp
Industrial policies and procedures, sector specific advocacy, import/export policies and procedures	Eliminating Child Labour employment	Entrepreneurs Development Programme	Training for Energy Efficiency Project	Budget, Taxation, Financing	Lean Manufacturing, Quality & Efficiency Improvement	Established RO water Plant, Improve Water Supply	By-product from waste (Oil extraction from rice bran)	Market linkages/ Support	Roadside Rain Water Harvesting
Factories Act, Industrial Disputes Act, minimum wages, ESI, PF, Bonus	Usage of recycle material	Area Specific Training (5S, Productivity, Quality, Cost Control etc)	Vocational Training for women (community)	Labour Laws/ Legal issues	Occupational Health & Safety of Work Place	Establishing Industrial Estates, Parks	Sand Reclamation Plant	Helped in getting Bank Loans/ Credit Linkages/ Micro Credit, Collateral Free Equipment Finance	Micro finance (community)

The table highlights that there is :

- Large diversity of activities
- Most BMOs have limited their activities to some domains and therefore scope for extending their activities in all areas
- There are possibilities of replication of successful stories

In what follows we have detailed 14 case studies that are shining examples and a tribute to what is possible. They are geographically spread across the country. Some are sector specific while others sector neutral. These 14 case studies reflect inspiring work in areas of gender mainstreaming, pollution control, clean energy and energy saving, community services and mentoring. They are inspiring models that can be replicated everywhere.

CASE STUDIES¹

¹ The Case Studies have been prepared by FMC Secretariat based on the information and data provided by the BMOs





Pankaj Singhal
(General Secretary)

Ajmer Zila Laghu Udhog Sangh (AZLUS) Save Energy and Gain Power

The need

Ajmer Zila Laghu Udhog Sangh (AZLUS) is a Society registered in 1969 and currently having a membership of 220 of which more than 50% are from foundry industry and related entities. All the foundries are using old technology cupolas and hence consume lot of coal and emit high amount of carbon dioxide and smoke, polluting the environment to a great extent. Besides pollution, inefficient use of energy also resulted in high cost of production eroding the profit margin and competitive capacity. Unless and until a viable solution was found to these critical issues the future of foundry industry was uncertain.

Project Development for Responsible Production

The journey of change started with a workshop on "Energy Efficiency in Foundry: Techniques and Benefits" done in 2012 under a European Union funded project. It was decided in that workshop that an autonomous foundry cell would be constituted to supervise the implantation of these techniques.

Project Funding

The basic objective of the project was to provide expert services to participating foundries to modify traditional cupolas and install divided blast cupolas. The total cost of implementation was estimated as Rs.3.96 million. Participating foundries were required to bear 60% of the cost, i.e. Rs.2.10 million which included mostly equipments and the rest (40%) was subsidized from an EU funded project.

Project Execution and Sustainability

Project implementation commenced with a 'Foundry Clinic' in February 2013 which was attended by large number of members. Thereafter, implementation of techniques and modification of existing methods and machinery and installation of divided blast cupolas was carried out in 13 foundries. The cost of implementation was borne by these units as per project funding. The BMO has documented the whole process clearly bringing out the pecuniary benefits that the foundries would get, the short payback period for investment made and long term benefits like threat of closure due to pollution along with video clippings and photos. These

will be used as promotion material to motivate remaining foundries to adopt cleaner production technologies. In order carry on this activity 'Cluster Sustainability Business Center' (CSBC) had been created by the BMO.



Divided Blast Cupola Installed under the project

Benefits

The best practices and machine modification resulted in increased profit margins and less pollution. They have saved 28% of coke per year which is 217.59 MT valued at Rs 4.28 million. It is a win-win situation for all the stakeholders. Alongside the environmental responsibility, Foundry Cell is also fulfilling its social responsibility. It is organizing health camps, interaction with local administration, and running plantation drives.



Rama Devi
(President)

Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP)

Eco friendly Exclusive Women Entrepreneurs Park - A successful model

The need

ALEAP, established in 1993 and registered as Sec.25 Company currently has a membership of more than 2500 individual, institutional and association members. It has been developing women entrepreneurs and supporting them to establish and operate manufacturing enterprises overcoming the challenges and hurdles that women entrepreneurs face. A group of budding women entrepreneurs wanted to establish their new enterprises in one place with all infrastructure facilities. Under the leadership of Mrs.Rama Devi, President, ALEAP they approached Govt. of Andhra Pradesh for suitable land for their ventures.

Project development for Responsible Production

The Govt. of Andhra Pradesh allotted 30 acres of land at Kukatpally, Gajularamaram in Ranga Reddy district. ALEAP designed the Eco Friendly Exclusive Women Entrepreneurs Park with extensive green coverage, modern infrastructure facilities like, road, water supply, drainage, and electricity supply through underground cables to reduce transmission loss by 3% compared to overhead transmission, Conference Hall, Skill Training Centre, Incubators and Canteen. A well equipped Crèche to take care of children of women workers was an important and innovative facility proposed in the Park.

Project Funding

ALEAP prepared the detailed project report. The total cost of infrastructure facilities, including land development work was Rs.39.40 million. Ministry of MSME, Govt. of India sanctioned grant of Rs.13.40 million (34%) for the project and ALEAP collected Rs.26.00 million (66%) from 103 members on the basis of area of plots allotted to individual members.

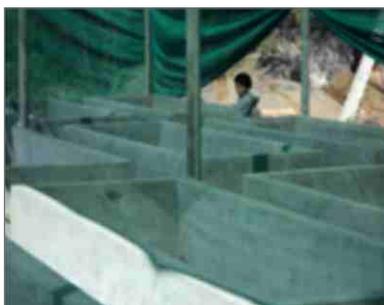
Project Completion and Sustainability

All infrastructure work, including development of green belt were completed and the Park was inaugurated in early 2000. As on date, 103 units have established their manufacturing and service facilities. Govt. of Andhra Pradesh had a unique **PPP model for maintaining Parks and Industrial Estates**. All Parks and Industrial Estates came under the jurisdiction of Industrial Area Local Authority (IALA) which collected land taxes from the enterprises in the Park/Industrial

Estate. While 60% of land tax revenue went to State, remaining 40% was used to maintain infrastructure facilities. Normally, this amount was sufficient for maintenance expenses. The members made good the shortfall if any. Other States may also emulate this method.



Creche and Common Facilities



Vermin Compositing



Products from Waste

ALEAP has implemented **an innovative idea to generate wealth from waste** to supplement the income from taxes to sustain the maintenance and improvement of facilities in the Park. It has established a vermin composting unit for degradable waste and a handmade paper unit for paper waste at a cost of Rs.2.40 million. GIZ, Germany sponsored Rs.1.50 million and the balance Rs.0.90 million was borne by ALEAP out its reserve fund. These two units are operated by two women entrepreneurs employing 15 women. Since these two units take care of all the waste the Park looks very clean. They area also generating a profit of Rs.10000 per month on an average. ALEAP also generates income from incubator and nominally charges for use of conference hall and other facilities. Thus sustainability is comfortably addressed by new and different approaches.

Benefits

The Park has given birth and nourished 103 women entrepreneurs who are providing direct employment to 5000 workers, predominantly women indirect employment opportunities to about 3000 persons. ALEAP has established a similar Park in Vijayawada. It is further planning a Park in Nandigama village-ALEAP Green Industrial Park in Medak district with emphasis on green coverage and environment friendly manufacturing activities and waste from wealth. These ventures are credible commendable milestones achieved in the empowerment of women-the prime objective of ALEAP.



Dhanavanthi Jain
(President)

Association of Women Entrepreneurs of Karnataka (AWAKE) Incubators-An effective vehicle for Gender Mainstreaming

The Need

AWAKE is registered as a Society in 1983. It is an organisation of women entrepreneurs and service providers in the State of Karnataka. It has more than 4000 members. It has been doing lot of work for empowering women by promoting women entrepreneurs, women workers and enabling housewives to earn and save in their spare time. Bijapur in North Karnataka is a backward district in industrial development but rich in agriculture, especially cultivation of a variety of fruits and vegetables. AWAKE identified food processing as a potential area for promoting entrepreneurship and employment of women and carrying forward the cause of gender mainstreaming.

Project Development for Responsible Production

AWAKE considered various options and decided that establishing an incubator would be the best option to stimulate entrepreneurship and guide them in responsible production, marketing and sustainability. AWAKE adopted a new strategy to foster the evolution and growth of industry-institution linkage and at the same time make use of the existing infrastructure and save capital cost. A MoU for partnering in the establishment, providing technical service, operation and maintenance and of the proposed incubator was signed in 2009 with Karnataka State Women's University (KSWU), Bijapur. The incubator was named ANANYA.

Project Funding

Karnataka Science and Technology Academy appreciated the proposal of AWAKE and sanctioned Rs.2.00 million to establish the incubator in the Toravi Campus of KSWU at Bijapur. Canara Bank being the lead bank in the district agreed to provide working capital to the incubator, term loan and working capital to those women who would like to set up manufacturing facilities after training in incubator on a case to case basis.

Project Completion and Sustainability

It took a year's time to procure machinery and equipments and set up the facility in the building made available by KSWU free of rent. The University has also been using the incubator for its

regular courses and training programmes. The sharing of expenses with University and income from other programmes have enabled AWAKE to sustain the facility.



Women undergoing training in the Incubator Centre

Benefits

The facility has resulted in multiple benefits in women empowerment. Aspiring women entrepreneurs are incubating new ideas and new products. The University has started a Department of Food processing and Nutrition after this incubator was set up and using it for conducting courses in food processing and nutritional aspects.

Till date the incubator has trained about 400 women in food processing. About 150 of them have set up new manufacturing facilities and providing employment to more than 500 women workers. The average monthly earnings of the women entrepreneurs ranges between Rs.10,000 to Rs. 50,000.



Ram B. Bhandare
(Chairman)

Belgaum Foundry Cluster Contribution for Clean Environment and Creating Employment

The Need

Belgaum foundry industry is one among the oldest foundry industries of the country dating back to pre-independence period. Over the decades the industry grew into a major cluster with about 160 foundries producing 0.150 million tons of casting employing around 10,000 workers directly and 5000 persons indirectly catering to casting needs of domestic industry and exports. Due to huge expansion of capacity, the quantum of waste sand containing chemicals increased and dumped wherever open space was available. Pollution control authorities and the public were concerned about the health hazards of foundry sand pollution. As responsible producers the industry promoted the Special Purpose Vehicle (SPV) Belgaum Foundry Cluster (BFC) as a Society in August 2004 to find a lasting solution to sand pollution problem. 147 foundries are members of the Society.

Project Development for Responsible Production

While developing the project for sand reclamation, BFC thought it prudent to go for a comprehensive project with the twin objective of controlling pollution and creating facilities for the overall development of the cluster to boost exports in a big way. Thus an all inclusive project for testing and road development in industrial estates and sand reclamation was prepared and submitted to the Govt. of India for funding.

Project Funding

The project was approved by the Govt. of India under the Industrial Infrastructure Scheme of Industry Ministry and Govt. of Karnataka in October 2004. The funding pattern was as under:

Govt. of India grant	: Rs.185.80 Million (75%)
Govt. of Karnataka	: Rs. 24.80 Million (10%)
Promoters' contribution	: Rs. 37.20 Million (15%)
Total	: Rs. 247.80 Million (100%)

Cost of Sand Reclamation Plant (SRP) out of total project cost was Rs.128.50 million. 147 members contributed towards promoters' contribution and the allocation for SPR was Rs.19.30 million.

Project Completion and Sustainability

The land, 2.2 acres required for SRP was purchased in 2007 from private persons and construction work started. Machinery were imported and installed. Since this was the first plant in India having facilities for reclaiming all types of foundry sand experts came from abroad for erection and commissioning. The plant was fully operational in 2010 employing 14 workers. All costs of operation and maintenance are met out of user charges depending upon the type of sand processed and quantity.



Co2 Sand Reclamation



Thermal Sand Reclamation



Green Sand Reclamation

Shri.Ram Bhandare, Chairman, Shri.Ashok Sadalage, Vice-Chairman, Shri. Hemant Latthe, Hon.Secretary and other members have put their efforts to successfully establish the plant and run it efficiently.

Benefits

The important achievement is controlling foundry sand pollution in and around Belgaum. About 38,000 metric tons of fresh river sand, a precious natural resource has been saved. This is the first and only operational SRP in the country that has technical capabilities to reclaim all the four kinds of foundry sand and hence a no. of other foundry clusters have visited the plant and quite a few have been inspired to replicate this facility.



S. Nagarajan
(President)

Dyers Association of Tirupur (DAT) Zero Liquid Discharge-First time in the World

The Need

Dyers Association of Tirupur was formed in 1982 under the Societies Act. The current membership is around 550. Tirupur knitwear cluster is exporting more than Rs. 200 billion worth of hosiery products to many parts of the world especially to USA and EU countries annually. Most of the products exported are made from dyed fabrics. During the process of dyeing enormous quantity of water was used by more than 700 dyeing units in the early nineties and discharged as effluents on land and water bodies resulting in severe environmental problems. The river passing through the town was carrying polluted water affecting agriculturists downstream along the river. At that point of time foreign buyers started insisting on cleaner production and eco-friendly products. Agriculturists Associations filed petitions in courts against the dyeing units. The industry realized the severity of the issue and decided to make concerted efforts to remedy the situation.

Project Development for Responsible Production

The dyeing units were spread all over the town and villages adjoining the town and quantum of effluent discharged were also huge. It was necessary to establish Individual and Common Effluent Treatment Plants (CETP) wherever there was concentration of dyeing units. Hence 8 SPVs were promoted by the BMO, supported and co-ordinated them to establish 8 CETPs in 1998 at a cost of Rs. 270.00 million to cover 288 dyeing and bleaching factories. About 450 members established individual effluent treatment plants. But the individual as well as common treatment systems were inefficient. They were doing preliminary treatment only and letting out huge quantity of water into land and river bodies with very high salt content. In 2006, the issue reached the boiling point with the High Court ordering the dyeing industry not to discharge any treated or untreated water into the environment or close down. The BMO launched a massive project to upgrade the existing 8 CETPs and promote another 12 CETPs to ensure Zero Liquid Discharge (ZLD) by the industry.

Project Funding

The funding required of proposed 20 CETPs covering 529 members was Rs.6000.00 million. The members contributed Rs.1500.00 million. The BMO assisted the CETPs to obtain Rs. 4500.00 million as loan from banks under consortium arrangement.

Project Completion and Sustainability

Out of 20 CETPs proposed 2 did not take off and the remaining commenced work in 2007 and commenced operations in 2009. The CETPs were able to meet all the treatment parameters of Tamilnadu Pollution Control Board except removal of salt as the treatment systems in operation were not capable of removing salt completely. In the meantime, due to delay in project execution and heavy penalties imposed on the CETPs for failure to remove salt the CETPs faced severe financial crisis and on the verge of closure. The BMO moved the Central and State Government for financial relief to save CETPs. Govt gave a grant of Rs.2000.00 million and TN Govt. Rs.1000.00 million. The TN Govt. further offered an interest free long term loan of Rs.2000.00 million. With these supports from both governments, the CETPs upgraded the technology and currently all of them are achieving ZLD. The cost of operation and maintenance is fully borne by the members of respective CETPs.

Benefits

- Unique ZLD system in textiles sector standing first in the World implemented in all CETPs.
- 100.00 million litre of water recycled daily preserving natural precious water.
- River Noyyal and other water bodies protected from pollution.
- Downstream agricultural activities are revived and saved from pollution.
- Depletion of underground water level prevented.
- But for the CETPs around 500 MSMEs would have closed throwing 30 to 40 thousand workers unemployed.
- Operational cost is minimized.
- Cost of water used for treatment of effluent to the tune of Rs.3000.00 million. is saved per year.
- Energy and manpower are saved.
- Eco friendly production methods are helping the export community to get Green Tag Label for their products.



John Ckacho
(Chairman)

Federation of Indian Coir Exporters Associations Industrial Harmony and Peace through Fair Wages and Benefits

The Need

India is the largest producer of coir in the world. Over 70 per cent of coir produced in India originates from the state of Kerala. Tamil Nadu and Karnataka states are the next major contributors. India holds virtual monopoly for retted fibre, which is preferred for many products rated high in the world market. Out of about Rs.145.00 millions of foreign exchange earned by the country through exports of coir products, Kerala accounts for 60 percent. The Coir Industry supports the livelihood of around 0.36 million workforce in Kerala of which more than 60% are women from the rural areas. Alappuzha is the hub of coir and coir products and also the cradle of trade unionism. In fact, one of the earliest industry-wide strikes had happened in coir industry. Federation of Indian Coir Exporters Associations (FICEA) established in 2009 as a Company with 82 members has been the delicate but crucial role in maintaining industrial peace in coir industry which depends upon their ability and willingness to satisfy the needs of workers.



Men and Women doing various jobs in coir industry

Firm Level Labour Disputes

Labour disputes in industry normally arise at two levels, firm level and industry level. Firm level labour issues arising in different locations are generally settled amicably by the members associations in those locations. Wherever amicable settlement is not possible both parties seek tripartite intervention or statutory remedies.

Industry-wide Demands

Industry-wide demands are generally related to wages, workloads, statutory and other benefits. The trade unions jointly issued demands for increase in wages and dearness allowance, re-fixation of workloads linked to wages and revision of a host of other statutory and non statutory benefits in 2012. Even though a few rounds of bipartite discussions were held no settlement could be reached as both parties stuck to their stands on most of the issues.

The Department of Labour, Govt. of Kerala organised tripartite meetings in which the unions and FICEA Chairman Sri. John Chacko, Secretary General and Board of Directors participated. The BMO Secretariat provided to Chairman data on wages to workers in different categories of factories, like spinning, weaving etc., workloads prevailing for each category, details of men and women workers employed, their present earnings and the expected impact on cost of production if wages were increased so that the Chairman could present the views of the industry on the demands of the unions. After a series of such meetings spread over about 6 months the dispute was settled amicably and agreement signed in the presence of Minister for Coir on 27th February 2014.

Benefits

The major benefit that the industry derived was uninterrupted production, industrial harmony and peace. Besides the 82 members of the Federation who are large manufacturers and exporters contributing for about 80% of export of coir products from Kerala, hundreds of coir co-operatives and thousands of micro and small enterprises in the value chain were the beneficiaries.

The real beneficiaries were more than 03.00 million workers employed in the Coir Industry in Kerala as the settlement was applicable for all coir units in Kerala. Since workers are an important part of the community, increase in wages results in improvement of their standard of living.



Rajive Chawla
(Chairman)

Integrated Association of Micro Small and Medium Enterprises of India (I am SME of India) Energy Efficiency-En Bloc

The Need

Energy efficiency and energy saving have been talked about for quite a long time and actual adoption has been quite sporadic and isolated. I am SME of India, formerly Faridabad Small Industries Association- a registered Society formed in 1977 and converted into Integrated Association of MSMEs of India, registered under Sec.15 as a Company in 2009 has been spearheading many activities for the benefit of MSMEs with a social cause. Faridabad, where I am SME of India is functioning has many industries like foundry and forgings, sheet metal fabrication etc., that consume huge volume of energy. I am SME of India therefore, considered this situation as most appropriate to make a massive impact on energy saving.

Project Development for Responsible Production

Global Environmental Facility (GEF) had designed the Micro Small & Medium Enterprises (MSME) Energy Efficiency (EE) project as a part of the GEF Programmatic Frame work project for Energy Efficiency in India. This project came in handy for I am SME of India to launch its ambitious energy saving programme. Small Industrial Development Bank of India (SIDBI) signed an MOU with I am SME of India to run EE program in Faridabad through GEF Funding.

Project Completion and Sustainability

The real action started in the form of CCC (Cluster Co-ordination Committee) meetings and Workshops for MSMEs. The first CCC meeting was held in February 2012 and there was no looking back since then. Between February 2012 to June 2014, apart from innumerable meetings of the core management committee, eight workshops and eight CCC meetings were held. The main objectives of these workshops were to create awareness, remove doubts and barriers, mindset change, sharing of knowledge by subject matter experts, providing linkages on technology, guidance on right products, credit counseling and facilitation etc., whereas the focus areas of the CCC meetings were to work on the strategies, removal of road blocks, setting objectives, expanding reach-out, monitoring progress, ensuring close co-ordination amongst various stakeholders etc.

Sustainability of this activity is ensured by creating a Special Cell dedicated to energy efficiency measures. This cell, driven by the main objectives of I am SME of India to be a one stop solution for providing Tried, Tested, Credible, Affordable and Reliable Solutions to save time and energy of the MSMEs.

Benefits

The summary of Energy Intensive units that got benefited in Faridabad in each selected category of industries is given below:

	Foundry Industries	Forging Industries	Processing Industries (Heat Treatment, Electro-plating)	Light Engineering / Sheet Metal Fabrication / Plastic /Chemical Industries	Die Casting Industries	Total
No. of MSMEs	18	46	15	126	83	288
How many workers were benefited (approx.)	540	2760	2415	63504	4399	73618
Energy Savings (Rs. millions)	184	1194	185	2193	560	4316

In terms of the savings on costs (approx. 20%), increased productivity (approx. 15%), improved efficiency (approx. 25%), financial assistance for better technology / products etc.



Vikram Joshi
(Managing Director)

Jaipur Integrated Texcraft Park (P) Ltd (JITPPL) CETP in a Handicrafts Cluster

The Need

Sanganer Block Printing Industry was initially a home based craft using natural colours. However, with the introduction of chemical dyes in early 60s the industry lost the tradition of natural dyeing. The use of chemical dyes resulted in considerable discharge of untreated effluents into the eco-system. Public interest petitions were filed in the courts and Supreme Court finally passed strictures against the industry. There were only two options for the industry- either close down or take steps to relocate to a place where a Common Effluent Treatment Plant (CETP) could be set up to stop polluting. The Consortium of Textile Exporters (COTEX) opted for the second option and promoted a SPV-Jaipur Integrated Texcraft Park (P) Ltd. (JITPPL) in 2006 to achieve the twin objectives with a Vision 'Sustainable Development and Responsible Production'.

Project Development for Sustainable Development and Responsible Production

The SPV acquired 23.42 acres of land in RIICO Industrial Area about 35 kms. from Jaipur. It hired experts to plan the Park and CETP. The plan was to develop a Park with modern infrastructure facilities like roads, water supply, drainage, electricity distribution, canteens, sewage treatment plant and CETP for Zero Liquid Discharge and recycling treated water for dyeing and other uses. Factory building with proper lighting, ventilation, sufficient toilets, workers dining hall and first aid room were also included in the project. Provision was also made for parks, green area and planting trees and flowering plants in roadside and vacant space. The total project cost was Rs.655.70 million out of which CETP cost alone was Rs.140.00 millions. The 20 members of the SPV contributed Rs.140.90 million which was slightly more than 20% of project cost. The SPV also took a loan of Rs. 250.00 millions from banks.

Project Completion and Sustainability

Work on the project including CETP work was commenced in October 2010 and completed in December 2013. CETP started functioning immediately after completion.



Aeration Tank



Chlorination Process Tanks



RO Plant

The operation and maintenance expenses of the Park and CETP are met out of -

- Rs.1.00 million collected from members as monthly maintenance charges.
- Charges collected from members for treatment of effluent on the basis of quantum of effluent discharged by each member
- Charges collected for treated water supplied back to the members for reuse, once again on the quantum of water supplied
- Rent from commercial space given to bank, ATM, chemical shop, conference hall for meeting and exhibition purposes and common processing centre.
- Income generated by the JITPPL by conducting programmes

The cumulative income from all these sources is more than sufficient to meet all the operation and maintenance expenses.

Benefits

The major benefit that members got was clean, green, pollution free, well laid factories for production with modern infrastructure facilities for carrying on responsible business activities. The members can fully concentrate on business. They feel proud and happy that they are no longer polluting the environment and created a model that all other textile clusters should emulate.

So far as the public is concerned they are happy that a highly polluting industry inside the city has been moved out and degradation of environment has been stopped. Apart from this the traditional hand block printing clusters (Sanganer and Bagru) has now a reference point, a role model to replicate in time to come. Not only these two clusters, many more such craft based clusters in India will be benefited by this effort.



The Machilipatanam Imitation Jewellery Members Welfare Association Park for Environment Friendly Imitation Jewellery

The Need

There are 500 imitation jewellery manufacturing units spread in the town of Machilipattanam, making products like bangles, necklaces, bracelets, ear rings etc. 235 members have formed the Machilipatanam Imitation Jewellery Members Welfare Association in 2007 under the Societies Act. Most of the units were located in residential areas and discharging toxic effluents into open nallahs, which ultimately led to complaints by local residents and notices from PCB for closure of units. The industry realised in 2005 that sooner or later closure was imminent and hence there was an urgent and imperative need to relocate the 236 polluting units outside the city with a Common Effluent Treatment Plant (CETP) so that pollution would never be a threat to the industry in future.

Project Development for Responsible Production

While conceptualising the Park Project members suggested that common water de-mineralising and lacquering facilities may also be added to the Project. The proposed capacity of CETP was assessed as 70 KL per day on the basis of requirements given by members. In order to implement the Project Machilipatanam Imitation Jewellery Park Private Limited was promoted and registered as a SPV. The Park project, including the CETP, was approved by Ministry of MSME approval in 2008.

Funding

The total project cost was Rs.4.6 million. Ministry of MSME gave a grant of Rs. 2.3 million and entire balance Rs. 2.3 million was members' contribution. Later on concrete tanks for storage of treated water, RO Plant, sprint liner system for Zero Discharge were added as per the directions of Pollution Control Board at a cost of Rs.1.50 million and the entire cost was borne by members.

Project Completion and Sustainability

Establishing CETP was a time consuming process as at every stage permission/clearance of the Pollution Control Board was required. Even though construction of CETP was completed and trial runs carried out in June 2013 Clearance for Operation (COF) could be obtained from the



Collection Tank



Sprint Line System

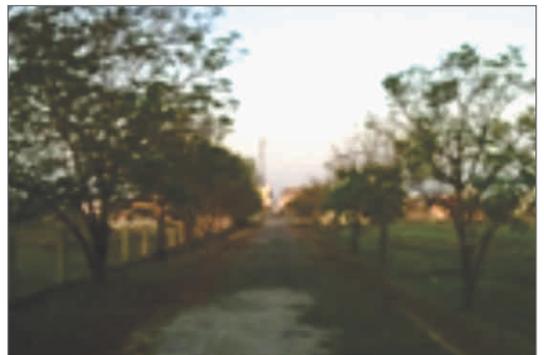


RO Plant

The CETP incurred a loss in 2012-13; but it was made good by surplus from lacquering and demineralised water plant. This was due to less number of members using the facility. In 2014-15 about 40 members used the CETP and 5000 KL of effluent was treated per day. The revenue went upto Rs 2.50 million as on date resulting in a surplus of Rs.0.10 million. Another 30 members have already applied for permission to use the CETP and hence in future CETP will be making surplus that can be used for further development.

Benefits

The members were facing threat of closure when they were functioning inside the city. They are now relieved of the constant worry and tension and concentrate on business. The public is happy that a highly polluting industry is moving out their place and hence they need not worry about health hazards that they were facing on account of pollution.



The surplus generated in recycling of water is utilised by the unit holders in organising health camps for their workers as part of CSR activities. Success of CETP also instigated BMO members to start a green belt in the park. So far 700 trees were already planted in the jewellery park, including a separate green belt for CETP.



Sadhu Gandhi
(President)

Pashamylaram Notified Gram Panchayat Industrial Area Service Society Hospital for Industry and General Public

The Need

Pashamylaram Gram Panchayat Industrial Area Service Society is a Society registered in 1998 and representing about 400 units located in the Panchayat Area. Currently, this area is Medak district of Telangana State. There are more than 50 MSME Pharma units in the vicinity of Pashamylaram manufacturing bulk drugs and formulations.

In the absence of a hospital in Pashamylaram workers and public were forced to go the Hyderabad for consultations and treatments. There were instances of accidents resulting in fatalities or disabilities due to time lost in transit. The Society was deeply concerned about this situation and decided to establish a hospital for the workers and public.

Project Development for Responsible Production

The BMO planned to construct a 3 storey building with a floor area of 4500 sft. The ground floor for doctors' consultation rooms, out-patient treatment facility, laboratory and 20 bed inpatient facilities, first floor for Society office and hospital administration and second floor for nurses' living rooms. An ambulance for the hospital was also included in the project. It was estimated that the project would cost Rs.1.80 million including ambulance.

Project Funding

The total project cost for building, equipments and ambulance was Rs.1.80 million. APIIC allotted 375 sq. metres of land in the Industrial Area free of cost and contributed Rs.0.40 million towards 50% cost of ambulance. 40 members contributed Rs.1.40 million. Thus project funding was tied up without loan or external assistance.

Project Execution and sustainability

Construction of building commenced in May 2003. The hospital was named "Sri Jyothi Hospital" and inaugurated in May 2004. The ambulance was purchased and commissioned in September 2004. The hospital is providing 24 hours service with two doctors, two nurses, ambulance driver and support staff.



Hospital Building



Ambulance

BMO started this activity purely as a social service activity and hence no consultancy or treatment charge is collected from the patients. The annual cost of running the hospital is around Rs.1.00 million. The industrial estate falls under the jurisdiction of IALA which collects revenue in the form of land and building taxes. Out of annual collection of around Rs.2.00 million 60% goes to State and the balance 40% is used for operation and maintenance of the industrial estate and partly to meet the expenses of the hospital. The BMO is arranging to meet the shortfall every year from contributions from members. Thus the sustainability of the hospital is ensured by the members.

Benefits to members

Patients get free consultation and treatment and hospitalisation wherever necessary. Simple injuries do not aggravate as serious problems due to immediate treatment in the hospital. Major injuries on account of accidents are given first aid swiftly moved to big hospitals in Hyderabad for treatment. Due to these health care activities absenteeism has gone down. Annually, about 500 workers and 250 public are using the hospital for their healthcare.



Southern India Engineering Manufacturers Association (SIEMA) Coimbatore

Technical services to Engineering Industry and Pollution Control

V. Lakshminarayananasami
(President)

The Need

SIEMA is one among the earliest associations in the South promoted and registered as a Society in 1952. It has a membership of 360 engineering enterprises. Coimbatore is one among top ranking engineering industry clusters of the country dominated by motors and pumpsets manufacturers serving the cause of agriculture and agriculturists and wet grinders that saved women from drudgery of grinding. Auto parts, machine tools, agricultural implements and high precision rocket parts are also made. The engineering enterprises are supported by more than 300 MSME foundries and a few large ones. More than 75% of the small foundries were situated inside the city causing air and land pollution due to dumping of used sand containing chemicals and slag. Pollution Control Board had served notices to the foundries to stop pollution or close down.

Project Development for Responsible Production

SIEMA considered the alarming situation in 2003 and decided to rescue the small foundries. At the same time SIEMA recognized the need for tool rooms, technical services, skilled manpower development, raw material bank, CAD/CAM design services, rapid product development services and testing facilities of the cluster and decided to adopt a holistic approach for responsible business growth and development. Taking the expertise of CMTI, Bangalore SIEMA developed a comprehensive project for state-of-art technical services, skill development and eliminate foundry pollution. The SPV-Coimbatore Industrial Infrastructure Association (COINDIA) - was promoted in March 2005 to undertake the multiple tasks. The major components of the project were tool rooms, testing and training facilities and foundry parks in 3 locations for relocation.

Project Funding

The Govt. of India approved the total project cost of Rs.554.10 million and gave a grant of Rs.389.90 million (70%) and Govt. of TN Rs.12.10 million (2%) in the form of land. Promoters contribution of Rs.152.10 million (28%) was raised from members of partner associations and SIEMA members.

Project Completion and Sustainability

Work started on all components of the project in 2005. The first tool room was opened in 2008 and the second along with training and other services in 2009.



Foundry Park

All the facilities and services are offered to industry on cost recovery basis. In 2013-14 COINDIA made a turnover of Rs.110.50 million resulting in a small surplus of about Rs.110.00 million. There is good demand for all services and hence operation and maintenance will never be a problem.

Benefits

180 of the 200 foundries functioning in the city have been shifted to the Parks. Pollution due to foundries has been completely eliminated. All these foundries which otherwise would have closed have been given rebirth along with 10,000 workers employed in them.

The city is now free of avoidable foundry pollution.



K. Mantrachalam
(President)

Tirupur Export Knitwear Industrial Complex (TEKIC) Clean and Renewable Energy for Manufacture of Knitwear for Exports

The Need

Tirupur Export Knitwear Industrial Complex (TEKIC) was established in 1999 as a Society to promote a private industrial complex, the first private industrial estate to motivate entrepreneurs to move out of city to set up manufacturing facilities and thus desist from congesting the town that was already congested. TEKIC procured 100 acres of land 8 kms. from the town and established the complex with state-of-art infrastructure facilities. The complex has provided built-in industrial sheds for the 189 members who are employment to about 10,000 workers.

One among the major objectives of TEKIC was to make clean and renewable energy to members so that cost of power could be reduced and renewable energy effectively harnessed. The management of TEKIC under the Presidentship of Sri. S. Rathnasami decided to establish wind mills to provide uninterrupted, clean and cheap power supply to members units.

Project Development for responsible production

In 2003, TEKIC decided to install 8 wind mills of 0.50 MW each at a suitable location in Thirunelveli district in Tamilnadu where wind velocity was good throughout the year to generate 4 MW to meet around 40% of power requirements of members. TEKIC initiated steps to obtain permission from Tamilnadu Electricity Board (TNEB) for wheeling the power and distribution to members through internal distribution arrangement.

Funding

The total project cost was estimated at Rs.273.30 million including power house for incoming HT current, underground cable network and transformers for distribution to members to save upto 5% in transmission loss. Ministry of Textiles, Govt. of India gave a grant of Rs.122.50 million (45%), all the 189 members contributed Rs.29.20 million (11%) and TEKIC obtained term loan of Rs.121.60 million (44%) from Indian Overseas Bank and SIDBI.

Project Execution and Sustainability

Land measuring 84 acres was purchased in Radhapuram village in Thirunelveli district. Besides paying market price the land owners were permitted to continue their cultivation activities except

in the small area where the wind mill was installed. Project work commenced in May 2004, wind mills were installed and generation of power commenced in June 2006.



Wind mills

TEKIC is meeting the full power requirements of members from own wind power and procurements from open market. On an average a member saves about Rs.6.04 per unit which is Rs.0.39 million per annum. TEKIC has not defaulted in loan repayment. Once repayment is completed by mid 2016, the saving will increase to Rs.0.56 million per annum.

Benefits

Manufacturers of knitwear for export get clean and green energy from renewable source which is a small but commendable effort to contain global warming. Till date TEKIC has generated 68.30 million units of wind power which means 37,000 tons of coal has been saved. Noise and air pollution in the area due to operation of diesel generating sets by all the 189 units is totally eliminated.



T. R. Srikanth
(President)

Tirupur Export Knitwear Printers Association (TEKPA) Raw Material Bank for Cleaner Production

The Need

Tirupur Cotton Knitwear Cluster is a well recognised and reputed international hub for cotton knitwear of all kinds. The cluster exports more than Rs.20,000 crores worth of knitwear to countries all over the world. In the supply chain printing of cotton knitwear is an important value added activity carried on by more than 300 printing units catering to the needs of exporters. TEKPA formed in 2004 as a Society under the Societies Act has a membership of 200 export knitwear printers. Under the leadership of Sri.T.R. Srikanth TEKPA has been giving lot of focus on quality of printing because international buyers insist on high quality of printing and emphasis on two major and critical aspects, namely, no colour bleeding and no hazardous chemical as casual wear is normally worn close to the body. But export knitwear printers of Tirupur were finding it difficult to achieve the technical specifications on the above two aspects due to the poor and often adulterated quality of printing dyes and chemicals available from the dealers and traders in the market.

Project Development for Responsible Production

In the beginning of 2012, the Office bearers of the Association felt that some concrete action needs to be taken to supply quality dyes and chemicals to the members and hence proposed the establishment of a common Raw Material Bank (RMB) for purchase of dyes and chemicals directly from reputed manufacturers and supply to members. TEKPA promoted a SPV, TEKPA Dyes and Chemicals Ltd., and registered it as a Public Limited Company to establish the RMB.

Project Funding

TEKPA decided to set up the dyes and chemicals store by raising funds from members and bank finance. In response to the appeal of President, 58 members contributed Rs.11.10 million as share capital for the project. No member holds more than 5% shares in the company. The SPV approached Oriental Bank of India and obtained sanction of Rs.11.10 million as working capital loan for the project.

Project Execution

A suitable building was taken for rent. The internal modifications required to accommodate office and storage facilities were made. Direct contact with manufacturers of dyes and chemicals, most of them in Gujarat, were established and tie-up arrangements for regular supply at whole sale prices were finalised. RMB commenced sale of dyes and chemicals to members on 18th January 2013.



Entrance to the RMB



Dyes and Chemicals neatly stocked



Project Completion and Sustainability

Since January 2013 when the store was started till date 233 members and non-members have purchased dyes and chemicals from the store. The RMB made a turnover of Rs.33.16 million, gross and net profit Rs.1.61 and 1.04 million in 2013-14. The turnover will touch Rs.36.00 million this year. The RMB is becoming popular and hence business is poised for substantial growth.

Benefits

The members get assured supply of quality of dyes and chemicals at prices cheaper than market prices and any quantity and time they want. The major benefit that community gets because of this project is knitwear that has no harmful dyes and chemicals and knitwear with beautiful prints that do not bleed when washed.



Pankaj Gupta
(President)

Industries Association of Uttarakhand (IAU) MSME Solution Centre - Focus on Energy Issues

The Need

The State of Uttarakhand has about 44000 registered MSMEs. Instead of growth, the number of working enterprises has been declining in the past few years mainly due to inefficient or mismanagement by the first generation entrepreneurs who did not know how to overcome crisis in their enterprises. They simply did not know where to get help, with whom to discuss their problems and thus get them addressed. Industries Association of Uttarakhand, a Society registered in 2001 having a membership of 560 enterprises was deeply concerned about this disturbing situation and decided to create a unique platform to revive sick units either operating or closed.

Project Development for Responsible Production

The BMO constituted a Committee to formulate a strategy and model that would then provide solution to the closure of MSMEs and enable ailing units to overcome their problems and continue in business. The Committee came up with a model which is market driven yet covered with responsible mechanism having its root in institutionalization. The Committee assessed that out of a large number of management and technical experts retiring from more than 100 technical and management institutions in the State every year, there would be many who would be willing to disseminate their knowledge, expertise to needy MSMEs and provide hand holding services to revive them. The Committee suggested that a huge pool of technical and management experts may be created in the BMO to help needy MSMEs. Based on the recommendations of the Committee the BMO set up the 'MSME Solution Centre' (MSC) in 2009 with financial assistance of Rs.08.00 millions from SIDBI and DFID. The BMO further involved institutions also in this centre so that the novel concept can be institutionalized over a period time.

Project Implementation and Sustainability

Since inception the Centre addressed some of the key issues like energy efficiency, environment, financing, technology upgradation, labour laws, etc which MSMEs were facing largely. Members were advised to conduct energy audits and install energy saving machinery, equipments, lights etc. Some of the measures recommended by the MSC are: servo stabilizers

in main grid to prevent energy loss and damage to sensitive equipments, condensate heat recovery system to heat boiler feed water, auto power factor controller, variable speed drives, V-belts for flat belts, CFLs and LED lighting, Variable Speed Drivers (VSD) etc.

Energy efficiency measures suggested by the Centre were implemented by 22 units till now resulting in a saving of Rs.01.00 million per unit per annum. A few units saved as much as Rs.1.00 million per annum.



Servo Stabilizers



V Belts



Variable Speed Drive

The Centre maintained Panel of BDS providers and linked them with needy units, such as -

- Escort services to new entrepreneurs including obtaining term loan and working capital
- Technology innovation to reduce drudgery and improve worker efficiency
- Issues related to minimum wages and ESI coverage

The Centre is an integral part of IAU and its operational cost is borne by industry members. However, MSC is now planning to synthesise a financial model for revenue generation so that it can provide more value added services and handle more number of MSMEs at any given point of time. The model is unique in nature as it is dependent on local level resources which are cost effective and holistic in nature which make the progress even more responsible.



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 - c) Cluster Development
 - d) Project Consultancy & Plant Modernization
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 - f) Tailor-made & corporate training programme.
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 - 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, Website: www.ppdcagra.in

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Centre for Cluster Competitiveness, Growth & Technology

Vision:

To foster global competitiveness and growth of MSME clusters through technical, managerial, capacity building, hand-holding and advisory services

To achieve this vision, EDI:

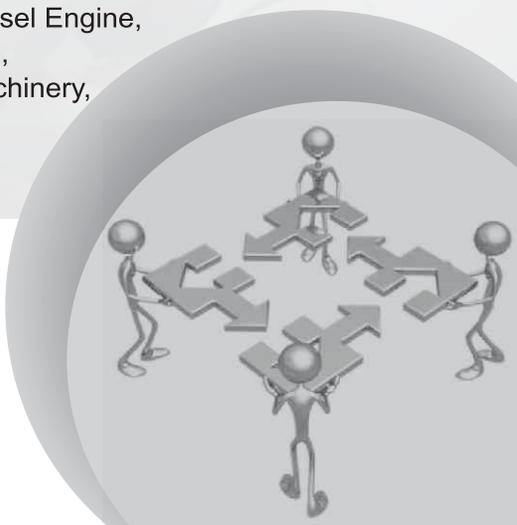
- Conducts Cluster Development Programmes comprising enterprise and technology upgradation, market development, export facilitation, social capital development
- Develops market for Business Development Services for improving competitiveness & accessing quality services for MSMEs
- Establishes Common Facility Centres (CFC) under private-public partnership approach
- Extends technical support to implementing agencies for successful adoption of cluster development
- Conducts programmes for Cluster Development Executives at national & international levels
- Undertakes research & documentation to facilitate learning and knowledge dissemination

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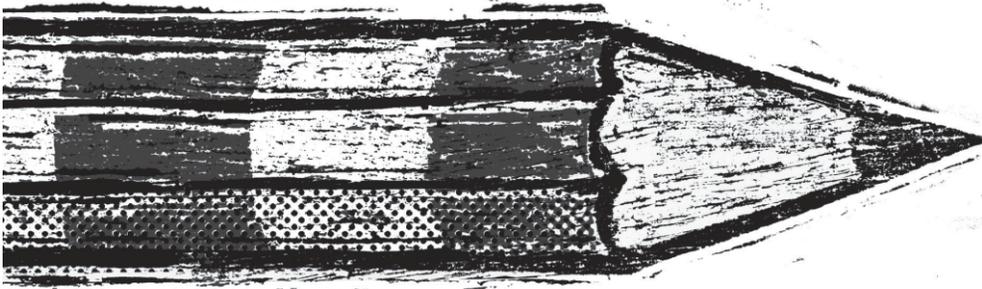


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Development
Institute of India**

P.O. Bhat 382 428, Dist. Gandhinagar, Gujarat
Tel : +91-79-23969159, 23969161, 23969163
Fax : +91-79-23969164 E-mail : info@ediindia.org
Website : www.ediindia.org / www.ediindia.ac.in



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Ms. Punita Bansal
Assistant Vice President
IL&FS Cluster Development Initiative Ltd
✉ punita.bansal@ilfsindia.com

Corporate Office
NTBCL Building, Toll Plaza,
DND Flyway, NOIDA-201301. UP
Tel: 91-120-2459200
Fax: 91-120-2459201

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Foundation for MSME Clusters

Foundation for MSME Clusters (FMC) is a non-government, not-for-profit registered Trust, established in June 2005 with its Head Office in New Delhi and regional/project offices in Phagwara, Ludhiana, Jaipur, Howrah and Bhubaneswar. FMC is an apex body known worldwide as a pioneer organization for the development of MSMEs with the help of cluster development approach. FMC has rich experience of working with MSMEs and has provided services in the areas of advocacy, implementation and coordination, training and research to more than 150 clusters nationally and globally across 12 countries

FMC draws its roots from UNIDO that has provided a broad range of project based services to the Micro, Small & Medium Enterprises (MSMEs), their representative Business Membership Organisations (BMOs), Technical agencies, Financial institutions/ Banks and Government (both state level and national level) since 1996. FMC was set up in 2005 to carry on the conceptualisation and implementation of such initiatives for MSME sector across various thematic areas of specialisation that include productivity & competitiveness, energy efficiency, business responsibility, policy & research, common infrastructure development, training & capacity building, marketing and innovation. FMC has provided training and policy advisory services both nationally and internationally in the area of MSME development. FMC is also registered as a Scientific and Industrial Research Organisation (SIRO) in the Department of Scientific and Industrial Research Organisation of Ministry of Science and Technology, Government of India.

FMC has experience in working for different institutions globally, its national clientele includes Department of Science and Technology (DST), Ministry of MSME, State Governments of West Bengal, Kerala, Orissa, Small Industries Development Bank of India (SIDBI), Khadi and Village Industries Commission (KVIC), Coir Board etc. and it has also worked with international clients which includes International Finance Corporation (IFC) (SEDF), Swiss Agency for Development and Cooperation (SDC), United Nations Industrial Development Organization (UNIDO), European Union (EU), United Nations Development Program (UNDP), Gulf Organization for Industrial Consulting to name a few. FMC has so far provided its services across 12 countries in different continents besides strong track record within India.





Head Office:

Foundation for MSME Clusters (FMC)
USO House, 2nd Floor, USO Road, Off Shaheed Jeet Singh Marg,
6 Special Institutional Area, New Delhi-110067
Ph:+91-11-26602885/6, 40563324/23, Fax:+91-11-41688589/90
Email: info@msmefoundation.org
Website: www.fmc.org.in, www.clusterobservatory.in

Ludhiana Office:

276/1 Industrial Area, Near Cheema
Chowk, Ludhiana-141003, Punjab

Phagwara Office:

55/168 (A-2) 1st floor, New Model Town,
Near Virk Hospital Hargobind Nagar,
Phagwara-144401, Punjab

Batala Office:

1st floor, BA Industries GT Road,
Batala-143505, Punjab

Hyderabad Office:

Premises No. 111, 3rd Floor,
Trident Building, Plot No. 28,
Wellington Road,
Behind Secunderabad Club, Near Picket,
Secunderabad-500009

Jaipur Office:

F-109, Cine Star Building, 1st Floor
Vidhyadhar Nagar,
Jaipur- 302023, Rajasthan

Howrah Office:

11/12/1, Burnt Salt Gola Lane, Near
Howrah A.C. Market, P.O. Golabari,
Dist. Howrah – 711101, West Bengal

Bhubaneswar Office:

Plot No.124, 2nd Floor, Flat No 3, 'King's
Apartment',VIP Colony, Nayapally-751012,
Bhubaneswar, Dist-Khurda, Odisha

Bangalore Office:

Flat No.101, No.43, 6th Cross,
Central Excise Layout,
Boopasandra, Sanjay Nagar P.O.
Bangalore-560094