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

संयुक्त सतत विकास
Responsible Indian BMOs

Promoting Responsible Business by BMOs

Issue II

Supported by

AXIS BANK

सिडबी
25 YEARS
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

RELIANCE
Commercial Finance

Promoting Responsible Business by BMOs

Issue II

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

January 2016

Acknowledgement

For the micro, small and medium enterprises (MSMEs), the backbone of both developing as well as developed nations, the challenge is how to promote these nearly 50 million MSMEs towards Zero Defect Zero Effect production. Interestingly, a significant proportion of these MSMEs are represented by their industry associations and Chambers of Commerce also called Business Membership Organizations (BMOs). BMOs being the most trusted ally of MSMEs, are best suited to promote the concept of "Responsible Business" in a balanced manner among millions of MSMEs in India.

It is estimated that there are 3,500 BMOs in India. Historically, role of the BMO was mostly limited to business advocacy, with very few providing strategic services to their members on economic aspects like linking up with financial institutions, related service providers, setting up common facility centers, undertaking skill development, quality certification, etc. An even lesser number have gone beyond implementing economic development activities to support MSMEs improve environmental and social aspects of doing business. But the good initiatives implemented by some of the BMOs are not known to other BMOs in the country who do not have idea about the benefits of being Responsible and the way it further benefits their members.

The Foundation for MSME Clusters (FMC) 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 in 2015. The overwhelming numbers of applications received (129 in total) and the shining examples coming out of the awards were documented as a compendium of case studies.

This year the 2nd Awards for Responsible BMOs have been organized. We received a total of 160 applications. It is our utmost pleasure to present the 2nd issue of the case studies citing more examples of responsible work done by BMOs. These applications have been evaluated by an independent agency and the final selection of awardees has been made by an eminent jury.

We are deeply obliged to the Hon'ble Minister for MSME for supporting the Awards programme. We are equally grateful to Dr. Anup K Pujari I.A.S., Secretary, Ministry of MSME for inaugurating the award programme. We are very thankful to the sponsors European Union (EU), Small Industries Development Bank of India (SIDBI), Reliance Commercial Finance and Axis Bank Limited whose support has been critical for the programme. We are grateful to the supporting partners German Agency for International Cooperation (GIZ), Global Reporting Initiative (GRI), Indian Institute of Corporate Affairs (IICA), United Nations Industrial Development Organisation (UNIDO) and Yes Bank Limited for their invaluable support. We are also grateful to Magazine Partners SME World and Minerals and Metals Review and technical partners Birla Institute of Management and Technology (BIMTECH) and India SME Technology Services Ltd (ISTSL) for 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 (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.

The information received from the 160 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 15 BMOs who have reached the round of final short listing. This is yet another effort of FMC to encourage BMOs and their member MSMEs to adopt NVGs passionately in their businesses in the spirit of doing good business. Our sincere thanks is also due to the advertisers. We are immensely thankful to Essar Foundation for part sponsoring the research and publication. 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 want to replicate in the years to come. Hopefully we see a thousand flowers bloom

Mukesh Gulati
Executive Director

Table of Contents

S.no. **Chapter 1**

Business Membership Organizations: Forms, Status and Challenges

1.1 Backdrop 9

1.2 What is a BMO 9

1.3 Registration of BMOs 10

1.4 Types of BMOs 10

1.5 BMOs across the country 11

1.6 Analysis of 1600 BMOs 12

1.7 Sectoral BMOs 12

1.8 Issues faced by BMOs at District / Cluster / SPV level 14

Chapter 2

Services by BMOs: Is Infrastructure a Challenge?

2.1 Introduction 15

2.2 Basic infrastructure available with BMOs 15

2.3 Paid services provided by BMOs 15

2.4 Schemes used by BMOs 16

2.5 Support from other organizations 17

2.6 Employment generation activities 17

Chapter 3

Responsible Behavior by BMOs

3.1 Changing business values 19

3.2 Challenges of MSMEs 19

3.3 Role of BMOs in promoting Responsible Business 19

3.4 National Voluntary Guidelines- Role of BMOs 20

3.5 Current roles of BMOs in promoting NVGs 20

Case Studies 27

Tables and Charts

Table 1- Defining Micro, Small and Medium Enterprises 9

Table 2- National Industrial Classification 2008 12

Table 3- Classification of BMOs 13

Table 4- Percentage of BMOs Having Requisite Infrastructure (April 2012-March 2015) 15

Table 5- Percentage of BMOs used scheme 16

Table 6- Schemes used by BMOs 16

Table 7- Various schemes from other organizations 17

Table 8- NVGs and Suggestive Role of BMOs 20

Table 9- Some Significant NVG Initiatives 21

Figure 1- Types of BMOs 10

Figure 2- Geographical spread of BMOs 11

Figure 3- Cluster, District, State & Country level BMOs 12

Figure 4- Vicious cycle 14

Figure 5- Virtuous cycle 14

Figure 6- Paid services by BMOs 16

Figure 7- Analysis of various employment generation activities by BMOs 18

Figure 8- NVGs and activities done by BMOs April 2012 to March 2015 21

Abbreviations

ALEAP	**Association of Lady Entrepreneurs of India**
B2B	**Business to Business**
BDS	**Business Development Services**
BHEL	**Bharat Heavy Electricals Limited**
BIMTECH	**Birla Institute of Management and Technology**
BMO	**Business Membership Organization**
CETP	**Common Effluent Treatment Plant**
CFC	**Common Facility Centre**
CFSC	**Common Facility Service Centre**
CLCSS	**Credit Linked Capital Subsidy Scheme**
CoTeX	**Consortium of Textile Exporters**
DEG	**Deutsche Investitions- und Entwicklungsgesellschaft (German Investment and Development Corporation)**
DEWA	**Dubai Electricity and Water Authority**
DST	**Department of Science and Technology**
EDC	**Entrepreneurship Development Cell**
EDP	**Entrepreneurship Development Programme**
ESIC	**Employee's State Insurance Corporation**
EU	**European Union**
GEF- UNIDO	**Global Environment Facility- United Nations Industrial Development Organization**
GHG	**Green House Gases**
GIA	**Gemological Institute of America**
GIZ	**German Agency for International Cooperation**
GRI	**Global Reporting Initiative**
HBPT	**Hand Block Printed Textiles**
ICCO	**Interchurch Cooperative for Development Cooperation**
ICRISAT	**International Crops Research Institute for Semi- Arid Tropics**
ICT	**Information Communication and Technology**
IFC	**International Finance Cooperation**
IICA	**Indian Institute of Corporate Affairs**
IIUS	**Industrial Infrastructure Upgradation Scheme**
ILO	**International Labour Organization**

ISRO	**Indian Space Research Organization**
ISTSL	**Indian SME Technology Services Ltd.**
KVIC	**Khadi and Village Industries Commission**
LEAP	**Lead, Educate, Apply, Prosper**
MSE- CDP	**Micro and Small Enterprises- Cluster Development Programme**
MSME	**Micro, Small and Medium Enterprises**
NABARD	**National Bank for Agriculture and Rural Development**
NABL	**National Accreditation Board for Testing and Calibration Laboratories**
NCLP	**National Child Labour Project**
NSTEDB	**National Science & Technology Entrepreneurship Development Board**
NVG	**National Voluntary Guidelines**
RBS	**Royal Bank of Scotland**
SAWE	**Society of Allied Weight Engineers**
SDC	**Swiss Agency for Development and Cooperation**
SEDF	**South Asia Enterprise Development Facility**
SFURTI	**Scheme of Funds for Regeneration of Traditional Industries**
SGFI	**Sports Goods Federation of India**
SHG	**Self Help Groups**
SIDBI	**Small Industries Development Bank of India**
SITARC	**Scientific Industrial Testing and Research Centre**
SPV	**Special Purpose Vehicle**
TANSIDCO	**Tamil Nadu Small Industries Development Corporation Limited**
TERI	**The Energy and Resources Institute**
UNDP	**United Nations Development Programme**
UNICEF	**United Nations Children's Fund**
UNIDO- ICAMT	**United Nations Industrial Development Organization- International Centre for Advancement ofManufacturing Technology**
UNIDO	**United Nations Industrial Development Organization**
UT	**Union Territory**
VDMA	**VerbandDeutscherMaschinen- und Anlagenbau**
YBLF	**Young Business Leader Forum**

Chapter 1 Business Membership Organizations: Forms, Status and Challenges

1.1 Backdrop

World over, small firms have given big boost to their economies. The Indian story sounds very similar. 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

Classification	Manfacturing Enterprises (Investment in plant and machinery)	Service Enterprises (Investment in equipment
Micro	Does not exceed Rs.25 Lakhs	Does not exceed Rs.10 Lakhs
Small	More than Rs.25 Lakhs but does not exceed Rs.5 Crores	More than Rs.10 Lakhs but does not exceed Rs.2 Crores
Medium	More than Rs.5 Crores but does not exceed Rs.10 Crores	More than Rs.2 Crores but does not exceed Rs.5 Crores

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 their growth process. However, the growth has not been as high as compared to their potential. The reasons for this underperformance are many and are 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 has also emerged as an area of critical importance. 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).

1.2 What is a BMO?

BMO refers to any organization in which firms, companies or individual entrepreneurs are members. Besides, BMOs 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 Special Purpose Vehicle (SPVs) of enterprises/entrepreneurs, SPVs promoted by BMOs to promote e.g industrial development/entrepreneurship, employers' organizations, etc. They serve as a link for entrepreneurs with Government, service providers and other stakeholders.

Until late 1990s, the country was mostly having national, regional, district and sectoral level BMOs. Later on the BMOs have further been stratified into sector specific, trade specific and even product specific necessitated by the demands from members for specialized services in technology, quality compliances, skill development, marketing and common service facilities. 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/ SPVs have also become a very common phenomenon.

1.3 Registration of BMOs

BMOs have been operating informally for long but with passage of time, need for a streamlined and formalized body arose which could legally, politically and officially represent organizations at various forums and platforms. This led to legal registration of BMOs mostly 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

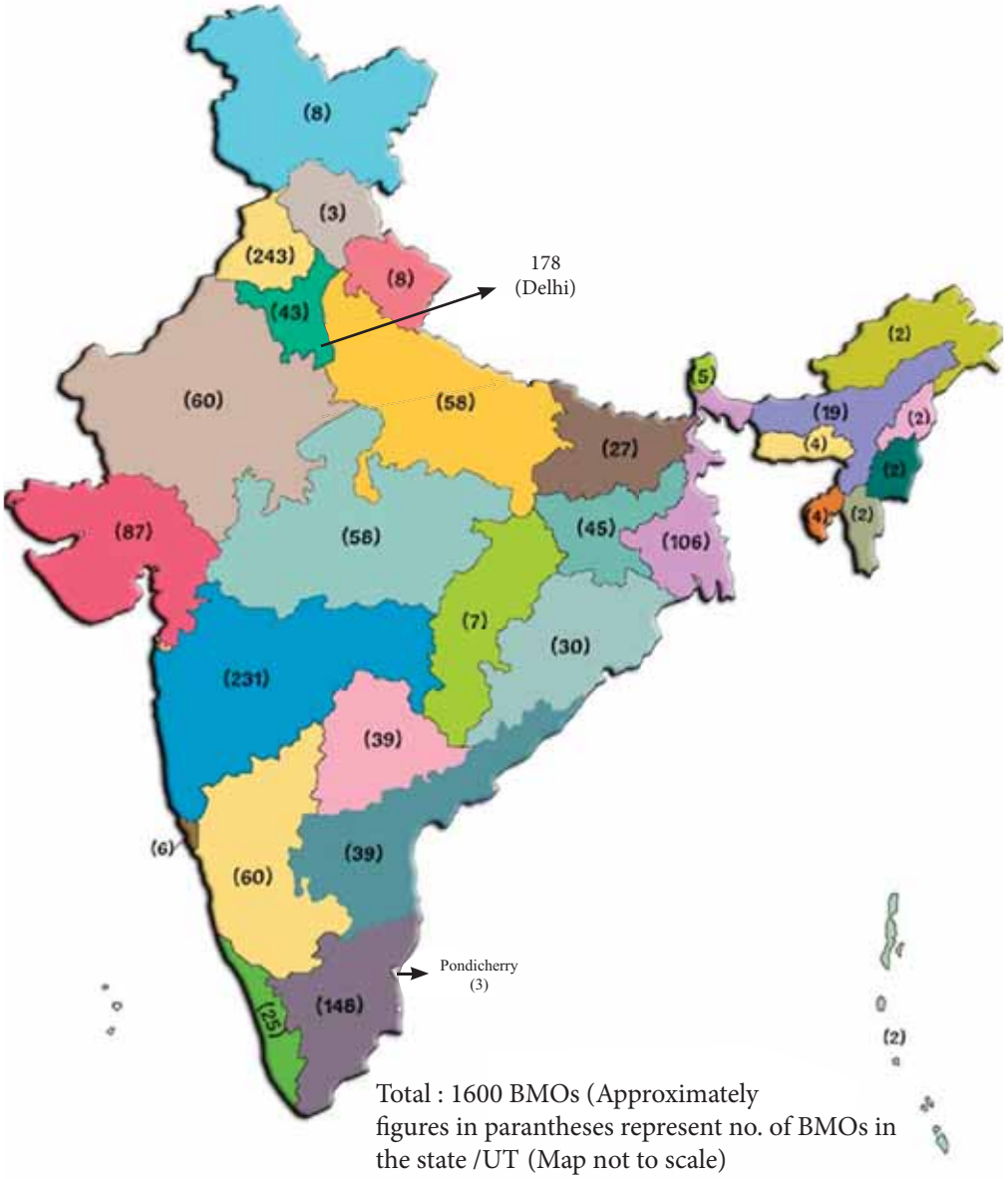
1.4 Types of BMO

Figure 1- Types of BMOs

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 Clusters (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 3500 BMOs.

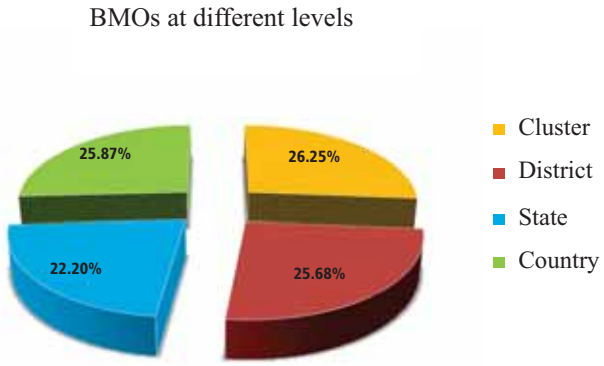
Figure 2 – Geographical spread of BMOs



Total : 1600 BMOs (Approximately
figures in parantheses represent no. of BMOs in
the state /UT (Map not to scale)

1.6 Analysis of 1600 BMOs

Figure 3 – Cluster, District, State & Country level BMOs



The 1600 BMOs are almost equally distributed among the four categories of BMOs.

1.7 Sectoral BMOs

Many a time, BMOs represent a specific product. Out of the 1600 odd BMOs for which information is available with FMC so far, around 800 are product specific BMOs. Here, the BMOs have been categorized in 19 different categories based on the National Industrial Classification, 2008.

Table 2 – National Industrial Classification 2008

S.no	2 Digit Classification	Category	
1	10, 11,12	Manufacturers of food products, manufactures of beverages and tobacco products	
2	13	Manufacturer of textile & apparel	
	14	Manufacturer of wearing apparel	
3	15	Manufacturer of leather and related products	
4	16	Manufacturer of wood products	
5	17	Manufacturer of paper & paper products	
6	19, 20, 21	Manufacturers of pharmaceutical, chemicals and chemical products	
7	22	Manufacturer of rubber & rubber products	
8	23, 24	Manufacturer of Metallic, non metallic & mineral products	
9	26, 27	Computer, electonic & optical equipments	
10	25, 28, 29,30	Engineering material	
11	41, 42, 43	Construction	
12	46	Whole sale (463)	Food retail trade
	47	Retail sale (472)	
13	49, 50, 51, 52	Transport	
	55	Hotels/ Restaurant	
14	79	Travel agency, Tour poerator & other service related activities	
15	85	Education & Research	
16	90, 91, 92, 93	Arts, Recreation & Entertainment(Media)	

Based on the above mentioned classification the BMOs have been further categorized on the basis of their levels. The table below depicts their frequency in each category.

Table 3 – Classification of BMOs

S.No	Classification	Cluster & SPV	State	Country	Total
1	Engineering	72	21	46	139
2	Textille & Textille Products	71	29	29	129
3	Food Product	47	34	32	113
4	Metals, Mineral & Non Mineral Products	53	11	32	96
5	Basic Chemicals & Chemial Products	14	19	38	71
6	Rubber, Plastic, Petroleum and Coal Products	13	18	19	50
7	Non-Food Retail and Wholesale	24	7	5	36
8	Electrical and Electronic	7	9	18	34
9	Construction	14	4	7	25
10	Other Services	6	2	15	23
11	Education & Research	2	3	15	20
12	Arts, Recreation and Entertainment	1	1	16	18
13	Leather and Leather Products	10	1	5	16
14	Wood and Wood Products	8	3	3	14
15	Transport and Warehousing Support For Transportation	4	2	8	14
16	Hotel & Restaurant	3	2	6	11
17	Paper and Paper Products	0	4	5	9
18	Food Retail and Wholesale	3	3	1	7
19	Travel and Tourism	1	5	0	6

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

- Almost 50 per cent of the BMOs are sectoral in nature
- Majority of the sectoral BMOs are either at the cluster or country level
- Maximum number of BMOs belong to 'Engineering' (139) and 'Textile & Textile Products' (129) categories.
- Textiles, engineering, metals & food product sectors account for more than 50 percent of the BMOs. Interestingly more than 50% of the BMOs in these sectors are Cluster based BMOs.

1.8 Issues faced by some 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 some 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.

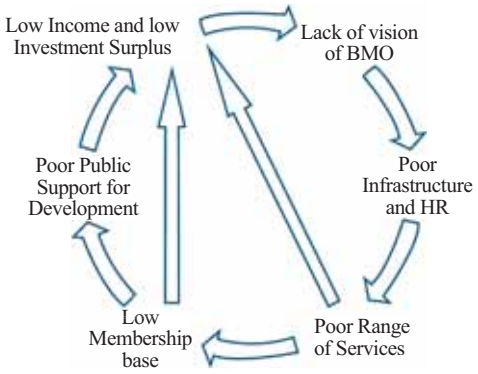
4) **Lack of support infrastructure:** Lack of computer, computer trained executives, websites and email practices severely restrict their outreach.

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.

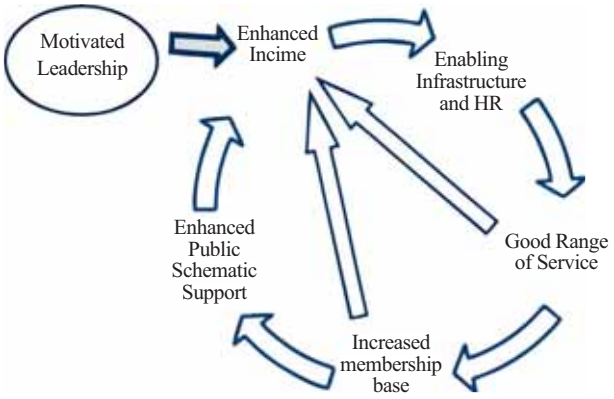
These challenges may trap BMOs in a vicious cycle of inefficient functioning, low membership base and sustainability issues. The figure below shows Vicious Cycle in the pictorial form.

Figure 4 – Vicious Cycle



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

Figure 5 – Virtuous Cycle



Chapter 2: Services by BMOs – Is Infrastructure a Challenge?

2.1 Introduction

As discussed in the previous chapter, BMOs have multiple challenges 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 160 such BMOs who have taken initiatives and applied for the Awards organized by FMC.This analysis is for the period of April 2012 to March 2015.

This analysis deals in basic facilities available with BMOs, paid services offered by them to their members and the schemes from which they have benefitted. Along with these, the chapter also delves into the employment generation through the responsible activities of BMOs. As the analysis is with reference to the number of applications received only therefore 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 it can open any account nor it can get 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 and related facilities else a BMO is often perceived as controlled by a person or a group and limits its growth.

After having an office it is important to have paid staff who can provide appropriate services timely. Creation of website further adds 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 at different level.

Table 4- Percentage of BMOs Having Requisite Infrastructure (April 2012-March 2015)

No. of BMOs	Registration	Office	Paid Staff	Website	Accreditation
Cluster& SVP	83%	69%	59%	36%	4%
District	92%	75%	79%	33%	8%
State	94%	89%	83%	71%	17%
Country	95%	76%	86%	90%	5%

As compared to the situation last year, things have definitely shown improvement. Undoubtedly, the BMOs clearly understand the need for registration. However, cluster level BMOs has scope for improvement, when it comes to availability of paid staff. Besides there should be scope for hiring qualified staff to promote high value activities. Both cluster and district level BMOs have huge scope for improvement when it comes to promoting themselves and their members through creation of website and also going for quality accreditation. These areas call for applying policy support.

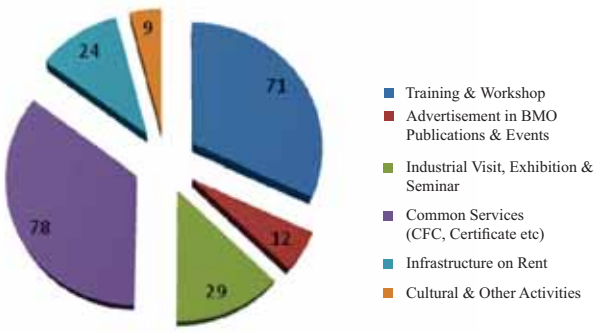
2.3 Paid Services Provided by BMOs

'Paid services' refer to the services rendered by BMOs to their members on payment basis. These services create revenue for the BMOs and offer financial freedom to pursue more meaningful and useful goals. Analysis of paid services provided by BMOs is for the period of April 2012 to March 2015.

The 223 paid services were grouped under six broad heads i.e. 'Training and Skill Development', 'Advertisements in BMO Publications & Events', '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 6-Paid services provided by BMOs



It is heartening to observe that BMOs are evolving and maximum number of activities has been done in the category of training and skill development as well as promotion of joint activities including Common Facility Centre (CFC), certification, etc. A sizeable amount of revenue is also coming from industrial visit, exhibition and seminar and also by providing facilities on rent.

However, 24 BMOs did not offer any paid services in 3 years. In fact majority, 105 BMOs gave only one paid service to their members in 3 years and only 31 BMOs offered two or more paid services to its members. Thus while quality of service is moving up, there is need to provide more frequent services. 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 in Table 5 below

Table 5: Percentage of BMOs that used Schemes`

	Cluster %	District %	State %	Country %
One Scheme	43%	46%	29%	43%
More than one scheme	17%	4%	9%	5%
No scheme	40%	50%	63%	52%

Interestingly, the above table shows that maximum number of schemes are used by clusters level BMOs.This might have happened due to the high level of promotion and sustainability of cluster and related schemes. 60 per cent of the cluster and SPVs have used one or more schemes during the last 3 years. Interestingly the State level BMOs have much work to do in this area. One reason may be that instead of taking direct benefit of the scheme they are popularising schemes which in turn gets reflected in the relatively better position of cluster and district level BMOs. However, overall there is high scope for improvement here. Some of the major schemes used by BMOs are shown below in table 6.

Table 6-Schemes used by BMOs

S.No.	Scheme
1	Micro & Small Enterprises Cluster Development Programme (MSE-CDP)
2	Lean Manufacturing Competitiveness scheme

3	International Cooperation (IC) scheme
4	Design Clinic of NID
5	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
6	Enhancing Productivity and Compeririveness of Khadi Industry and Artisans (EPCKIA) of KVIC
7	Integrated Handloom Development Scheme
8	NABARD Schemes
9	Market Development Assistance
10	Credit linked Capital subsidy Scheme for Technology Upgradation (CLCSS)
11	Others

2.5 Support from Other Organizations

Analysis of 160 application forms showed that around 50 multilateral and bilateral agencies as also national develpment organisations & corporates had provided financial support to BMOs directly and/or indirectly. These are depicted in table below

Table 7- Various support from other organizations

National	International	Corporate
Central Waqf council	Bill and Melinda Gates Foundation	Artificial Limbs Manufacturing Corporation of India
Gujarat Tourism	DEG Germany	Blue star ltd.
LEAPAKSHI (Handicrafts Department, Andhra Pradesh)	Dewa, Dubai	DEG Germany
NABARD	European Union	Kalyanpur Cement ltd.
Odisha Incustrial Infrastructure Development Coropration	Ford Foundation	Paytm
SIDBI	Friedrich Ebert Stiftung	Rungta Mines ltd.
Tamil Nadu Industrial Development Corportion	Friedrich Naumann Foundation	Swarovski Diamond
Tamil Nadu Industrial Development Corportion Limited (TANSIDCO)	GEF – UNIDO	Tata Steels
	Gemological Institute of America (GIA)	Tetra Pak
	GIZ	U- Flex ltd.
	ICCO Cooperation	VDMA Germany
	Indo-African chamber of Commerce	YES Bank Ltd.
	International Labour Organization (ILO)	
	RBS Foundation	
	SAWE,USA	
	SEQUA	
	UK Aid	
	UNICEF	
	UNIDO	
	World Bank	

2.6 Employment Generation Activities

BMOs have reported promoting several employment generation activities like generalised or specific training, entrepreneurship development, Job fairs, financial linkages, seminars, exhibitions & other support. The chart below categorize these activities into five heads

- Skill Development
- Indirect EmploymentGeneration
- Talent Fair
- Entrepreneurship Promotion
- Seminars, Exhibitions & Other Support

On employment generation front total 69 activities have been analyzed.

Figure 7- Analysis of various employment generation activities by BMOs

Skill Development refers to the activities fostering direct employment opportunities among the applicants For example a BMO conducted training on coir spinning for SC/ ST women, which made these women ready for employment. On the other hand, Indirect Employment Generation means activities which create awareness and encourage people to take skill development training for better employment. The talent fairs act as a platform for interaction between skilled manpower and organizations looking for human resource.

Entrepreneurship Promotion represents the activities encouraging skilled people to start their own business who in turns become job providers. BMO organized Entrepreneurship Development Program (EDP) for new and prospective entrepreneurs in association with BHEL.Seminars, exhibitions & other support also help in promotion of the products and services of these entrepreneurs.

Chapter 3: Responsible Behaviour by BMOs

3.1 Changing Business Values

The changing business environment has transformed the expectations of consumers from business entities. In the current scenario the business have to follow social and environmental norms along with the quality service/product. To create a good image and also to cater to the social needs, industrial organisations are not only following responsible business practices but are also emphasising 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, responsible business practices were considered important by the large units only. However, complying environmental and social norms is becoming increasingly relevant not only for large units but also for MSMEs as well. This is due to 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 due to three principal reasons:

- Firstly, 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 corner of the country having an estimated 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 newfaces (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.

3.3 Role of BMOs in Promoting Responsible Business

It is here that the BMOs can play a very proactive role in promoting Responsible Business

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.

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 CFCs to address various types of activities for promoting responsible business. In all the above cases the activity needs to be linked for promoting or bringing a change in thestatus quo of sustainable practices.

3.4 National Voluntary Guidelines: Role of BMOs

To promote responsible business, Ministry of Corporate Affairs had developed National Voluntary Guidelines (NVGs). These guidelines include nine principles for coherence in the activities and sustainable contribution of those activities. The 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 necessary steps to mitigate them.

The NVGs designed for individual entities can also act as indicators for the group of enterprises through their BMOs to identify areas exerting of significant work. Their efforts will help the members of BMOs in creating 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 energies the MSMEs for fulfilling theexpectations of the NVGs.

Table 8- NVGs and Suggestive Role of BMOs

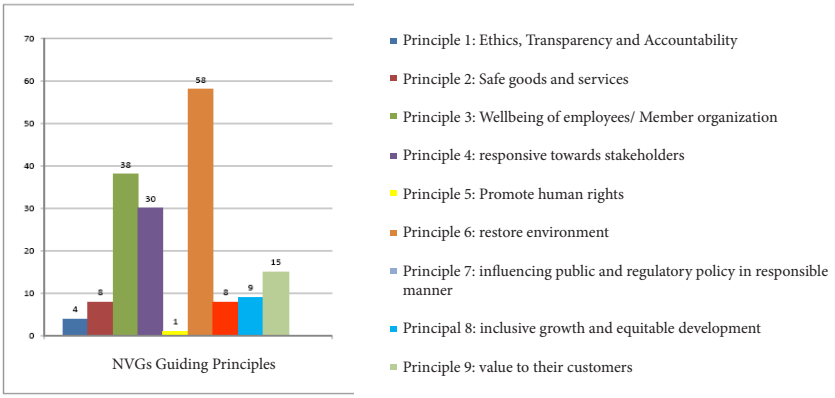
S.No	NVGs	Suggestive Likely Role of BMOs
1.	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	BMOs can help MSMEs to get registered, get bank linkages, be complaint to the law. BMOs can themselves become accredited so as to promote transparency and efficiency.
2.	Principle 2: Businesses should provide goodsand services that are safe and contribute tosustainability 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 marginalised	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 BMOs

In order to recognise the efforts made by these BMOs to encourage its members to comply with these guiding principles, FMC has launched "Responsible Indian BMOs Awards". This award tries to identify efforts made

In order to recognise the efforts made by these BMOs to encourage its members to comply with these guiding principles, 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 included activities related to implementation of the nine principles of NVGs. An analysis of NVGs pursued by these 160 BMOs reveals the following based on the responses provided by them for the period April 2012 to March 2015.`

Figure 8- NVGs and Activities done by BMOs April 2012 to March 2015



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 well being 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 9- Some significant NVG Initiative

S. No	NVGs	Some Admirable Work being done by BMOs
1	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency Accountability	• Wages of workers through cheques • BMO Accreditation
2	Principle 2: Businesses should provide goods and Services that are safe and contribute tosustainability throughout their life cycle	• Promoting usage of technologies that save energy • Promoting efficient product designs • Safe foos by street vendors
3	Principle 3: Businesses should promote the wellbeing of employees	• Health Insurance for workers • Health & Safety Workshop • Medical camp • Setting up of ESIC dispensaries, clinics, mobile health vans, Ambulance for workers • Providing safe drinking water for employees • Setting up of Homeopathy Clinic • Linkage with National pension scheme • Private pension plan for retired workers • Mechanistion to reduce drudgery

4	Principle 4: Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised	• To establish the water pipe lines for the community • Disaster relief camps for business stakeholders • Financial help for poor artisan kids in payment of school fees, book, school uniforms. • Water cooler for the community • Community water testing facility • Drama to prevent alcoholism • Driving Awareness programme for truck drivers • Usage of solar lantem • 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
6	Principle 6: Business should respect, protect, And make efforts to restore environment	• Promoting coir for replacing wood • Recycling of gases from chimney which is used in other Industry • Greening of industrial Area • Reduction/ reuse/ recycling of solid waste • Recycling of waste water • Common Effluent Treatment Plant (CETP) creation • Promoting appropriate usage of CETPs • Tree plantation • Promoting energy and environment friendly technologies
7	Principle 7: Businesses, when engaged in influencing Public and regulatory policy, should do so in a Responsible manner	• Advocacy for vendors • Advocacy for coconut development
8	Principle 8: Businesses should support inclusive growth and equitable development	• Promoting gender mainstreaming by promoting woman employment and Entrepreneurship • Seminar on Export opportunities for women
9	Principle 9: Businesses should engage with and Provide value to their customers and consumers Responsible manner	• Programme on BARCODE • National street food festival organised

NRTAGMA
GMATNAR
AGARMNT
MNTARGA
TANGRAM
"Problem solved! QED!"

Dun & Bradstreet Tangram Advisory Services Private Limited is an integrated research and advisory service provider to Indian and foreign companies, industry associations, governments (Indian and foreign), research organisations and multilateral agencies. At Tangram, we work across sectors, planning cycle &management decision making process to provide simple and actionable solutions based on coherent feedback captured from primary information sources to identify and leverage opportunities, address challenges and create sustainable value.

Four Essential Offering Elements from D&B Tangram

Key sectors we serve

- Healthcare
- Food & Agri-business
- Logistics and warehousing
- Building Construction
- Materials & Real Estate

- Textiles
- Banking & Financial Services
- General Engineering
- Metals

Dun & Bradstreet Tangram Advisory Services Private Limited

Mumbai Head Office
Indiabulls Finance Centre,
Tower Two, 14th Floor, SenapatiBapat Marg,
Elphinstone Road (W), Mumbai,
Maharashtra 400013
Tel: +91 22 4922 1000 I Fax: +91 22 4922 1010

Delhi Branch Office
Level 15, Eros Corporate Towers,
Nehru Place, New Delhi 110019
Tel: +91 11 4109 7944 I +91 9811476732

E-mail: admin@dnbtangram.com Web site: www.dnbtangram.com

Fuelling Employment Generation
through Cluster Development

IL&FS | Clusters

Presence in 130 Industrial Clusters across 10+ Sectors

~USD 2 billion Investment mobilized

~1 million Jobs created

100,000+ Rural artisans empowered

500,000 Youth skilled & placed

Comprehensive Roleplay

Conceptualization | Commissioning | Commercialization

Need Assessment & Capacity Building	Project Planning	Resource Mobilization (Govt. grants, debt & equity)	Detailed Engineering & Project Implementation	Technology/Market Linkages	Skill Development

We, IL&FS Cluster Development Initiative Limited (IL&FS Clusters) are a part of the social infrastructure and enterprise promotion group of Infrastructure Leasing & Financial Services Ltd (IL&FS). We provide commercially sustainable integrated solutions for development of Micro, Small and Medium Enterprises (MSMEs), through a cluster based Public Private Partnership (PPP) approach that would enable them to become globally competitive. We provide the entire gamut of services for a project from concept to commissioning to commercialization across the value chain. Over the years, we have developed a high degree of expertise in the development, implementation, financing and management of cluster projects across a wide range of sectors such as textiles, food processing, leather, and cold chain etc, especially involving diverse and multiple stakeholders including Central and State Governments, Industry Chambers & Associations, Anchor entrepreneurs / Consortiums, Bilateral / Multilateral & Donor Organisations, Technical & other support institutions. Our key areas of operation include policy advisory, infrastructure development, integrated area development and livelihoods.

Contact us:

Corporate office: NTBCL Building, Toll Plaza, DND Flyway,
NOIDA - 201301, Uttar Pradesh, India Tel: 91-120-2459200
www.ilfsclusters.com

Ravi Mishra, Senior Vice President
Government Advisory
ravi.mishra@ilfsindia.com, +91 98 99 277820
New Delhi

Akshay Patel, Senior Vice President
Private Sector Advisory
akshay.patel@ilfsindia.com, +91 98 19 543463
Mumbai

Assurance • Tax • Advisory

Reason says:
choose the largest advisor.

Instinct says:
choose the right advisor.

Grant Thornton
An instinct for growth™

Business decisions are rarely black and white. Dynamic organisations know they need to apply both reason and instinct to decision making. We are Grant Thornton and it's what we do for our clients every day.

Write to us at contact@in.gt.com or call us: +91 9930001230

www.grantthornton.in

© 2016 Grant Thornton India LLP. All rights reserved. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms. Full disclaimer available on www.gti.org.

Case Studies

This case study book has been prepared by FMC Secretariat based on facts and figures provided by the BMOs

Shri. Himanshu Kumar Das
President

Balasore Chamber of Industries and Commerce (BCIC) Odhisa

Marketing Support to Artisans and MSMEs to Enhance Return and Sustainability

Brief Profile of the Industry

Balasore is an industrially well developed district. The major large scale industries produce alloys, pharmaceuticals, paper, automobile tyres and tubes. Micro and small enterprises have a strong presence in the district with about 45,000 enterprises functioning all over the district. The small and medium scale industries make plastic products, rubber tubes and fittings and biscuits. Manufacture and export of fishing equipments is an upcoming industry. Tourism industry contributes significantly to the economy of Balasore and provides ample opportunities for marketing handicrafts .

BMO Background

Balasore Chamber of Industries and Commerce (BCIC) was originally registered as a Society in 1997-98 in the name of Balasore Chamber of Industries and later on expanded to include trade (Commerce) also in 2004-05. Besides advocacy, BCIC has been organizing seminars and workshops, trade fairs and vendor development meets at the state and national level.

Genesis of Responsible Business Activity

BCIC has done an informal study on the marketing practices of MSMEs as well as Self Help Groups (SHGs) and artisans. The study revealed the fact that these enterprises were selling their products to traders and middle men at very low prices and earned wafer thin profits only. BCIC realized that the profits of products manufactured by the above said groups and consequently their livelihood can be increased substantially if

Trade Fair

Certificate and Trophy Awarded to the Best Stall

1.http://dcmsme.gov.in/BIPS/20Balasore-12pdf

proper marketing channels and opportunities were created thus avoiding middlemen. Their products would get direct exposure to the consumers and fetch better prices. They could ascertain consumer preferences and product acceptance levels through feedback from the buyers. BCIC decided to experiment the idea by organizing a district level Exhibition-cum-Trade Fair in 2003.

Implementation and Sustainability

The office bearers of BCIC had meetings with the Director, MSME-DI, district administration and district industries centre and finalized the program and its implementation. Venue and dates were decided. Advertisements were made in print & electronic media, hoardings were put up at strategic places. All product groups were invited and were asked to participate in the fair. Preparation of display stalls were erected by the selected tent houses. Stalls were booked by the organizers co-ordinated by the BMO secretariat. Workshops, seminars and cultural programmes were also organised. The attendance was overwhelming with more than 30,000 people visiting the fair. The participating organizations/ agencies not only sold their products but also got direct interaction with the buyers, gathered ideas of consumers for modifications in design, size, colour and other aspects of the products. The fair was held for 3 days.

The fair has been conducted successfully in the subsequent years for an extended duration of 5 days. With the experience and knowledge gained BCIC is well equipped to continue the activities in future also. The average cost of organizing the event in 2013 and 2014 was Rs.36.89 lakhs. BCIC contributed Rs.30.76 lakhs and state government Rs.6.13 lakhs. But the entire cost was recovered from stall rent, advertisement and other means thereby resulting in a surplus that will be used for further market development.

Beneficiaries and Benefits

The fair benefitted a large number of MSMEs, SHGs and artisans. The participation has been increasing year after year and the last time there were more than 1500 participants. Thus the benefit has been spread over a wide spectrum of weaker and marginal business enterprises. It is reported that the last event in 2015 generated a total sale of about Rs.150 crores.

Shri. Ram B. Bhandare
Chairman

Belgaum Foundry Cluster (BFC), Karnataka

Protecting Environment and Controlling Casting Wastage through Better Practices

Brief Profile of the Industry

The history of foundry industry of Belgaum goes back to 1940s when the first foundry was set up for manufacturing of agricultural implements. In the 50s the foundries of Belgaum started manufacturing castings for machine tools, flour mills parts, oil engines, electricity machinery and pump sets. Over the decades the industry grew into a major cluster and currently there are about 250 foundries that are producing 1.60 lakh tons of casting per annum valued at Rs.750 crores and employing around 12,000 workers directly. The cluster has exported Rs. 350 crores worth castings .

BMO Background

Due to the enormous growth of foundry industry, the cluster witnessed a number of issues that challenged the growth process. The cluster leaders, therefore, promoted a SPV, Belgaum Foundry Cluster (BFC) as a Society to take effective steps to overcome the challenges. BFC has 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

Having taken adequate steps to overcome infrastructure related problems, the focus of BFC shifted towards replacement of coal fired cupolas with induction furnaces to conserve coal and avoid polluting the environment and waste reduction through avoidance of breakages. BFC approached UNIDO-ICAMT (United Nations Industrial Organisation-International Centre for Advancement of Manufacturing Technology) for

Workshop on Foundry Technology

1.www.clustercollaboration.eu, www.apps.mmronline.com & www.bcfindia.co.in

support. UNIDO-ICAMT project works directly with industrial units, but also within a cluster framework. The cluster perspective not only provides an opportunity for ground level replication but also a peer learning platform. The project works with technical guidance, business development and knowledge sharing. As a result of the concerted efforts made by BFC, UNIDO-ICAMT agreed in February 2012 to support the Belgaum Foundry Cluster.

Implementation and Sustainability

With support from ICAMT experts and other experts whose services were outsourced under the project, BFC did a detailed analysis of foundry industry and conducted technology diagnostic study of 50 foundries and selected 30 foundries for the project. A series of awareness and training programmes for the technical, managerial and supervisory personnel from the selected foundries were conducted. Thereafter, factory level guidance for improvement in productivity, reduction in rejection, quality upgradation, improvement in yield were given and adherence to instructions was monitored periodically and corrections were made wherever necessary. Simultaneously, training programmes on foundry technology, casting processes, design of patterns and core making, machine moulding, heat treatment and costing aspects and workshop on marketing strategies were also conducted for the representatives of the selected foundries.

Beneficiaries and Benefits

The 25 foundries that participated in the project, directly benefited through reduced casting rejection which resulted in less rework and saving liquid metal, reduced development and costing time. The benefit in terms of energy savings is estimated at Rs. 240 lakhs. The units learned to adopt “Right the First Time” concept through structured sampling process and examining new component feasibility, design, production and process of development.

The benefits derived by the participating foundries are now disseminated by BFC to other members units through seminars, interactive meetings, foundry visits and demonstrations. With the internal expertise acquired, BFC is now motivating and enabling other members and non-members to adopt the programme. 65 units benefitted by creating additional employment.To provide a learning platform at the national level, UNIDO-ICAMT and BFC organized a national event LEAP (Lead, Educate, Apply & Prosper) as a community building, inspiration invoking and business enabling event.The total cost of the project was Rs. 250 lakhs.

Smt. K. Ramadevi
President

Centre for Entrepreneurship Development (CED), Hyderabad

Empowering Women through Entrepreneurship

Brief Profile of the Industry

Women's entrepreneurship holds strong potential for spurring economic opportunity and job creation in developing countries. In addition, growing evidence suggests that economically empower women and provides substantial benefits for the health and wellbeing of family and communities (World Bank 2011) . India has also been laying considerable emphasis on women entrepreneurship development. Since the turn of the century, the status of women in India has been changing due to growing industrialisation and urbanisation. With the spread of education and awareness, women have shifted from the extended kitchen, handicrafts and traditional cottage industries to non traditional activities.

BMO Background

In a special drive to promote women entrepreneurship, the Centre for Entrepreneurship Development (CED), an undertaking of Association of Lady Entrepreneurs of India (ALEAP) was set up in 1997, as a separate Society. It has completed 18 years of planned activities in fostering the spirit of entrepreneurship. It helps budding entrepreneurs to pursue a business career. CED has been conducting hundreds of programmes in the two states of Telangana and Andhra Pradesh, many of which are meant exclusively for women.

Genesis of Responsible Business Activity

Since 2012, there has been a paradigm shift in CED objectives and goals with full focus on women entrepreneurship development and hand holding of trained women to become budding entrepreneurs. The programmes are basically categorized as technology based entrepreneurship development in specific sectors like food processing, gem and jewellery, hospitality, mushroom cultivation etc; and skill based entrepreneurship development programmes like fashion designing and garment making, cosmetology and beautician, designing and manufacturing of artificial jewellery, screen printing and hand painting on glass, jute products etc;

Training in bakery products

Training in mattress making

Implementation and Sustainability

The programmes are executed in 5 steps as under:
Step 1. Identifying demand for skill sets and also prospects of launching start-ups in various sectors.
Step 2. Sending proposals to various sponsoring Ministries/ Government Agencies
Step 3. Receiving training assignments
Step 4. Planning programmes and implementation
Step 5. Counselling and handholding

Expertise required in areas such as technology, finance, IT etc., have been outsourced from technical institutions, consultants and private experts. Mentoring services have been provided by BMO members.Most of these are sponsored by various Central Ministries, namely Ministry of MSME and Ministry of Science and Technology (NSTEDB) and banks while some of them are fee based programmes wherein CED has been charging a nominal fee.From 2012 to end of 2015, CED conducted 24 programmes covering a wide range of sectors in different locations in Andhra Pradesh and Telengana. There is no dearth of participants and no paucity and resources to continue the activity without any interruption.

Beneficiaries and Benefits

From 2012 to the end of 2015, CED has trained 675 women as entrepreneurs. Most of the programmes have been offered free of fees which is a major financial benefit to the women.

Shri. Avtar Singh
President

Chamber of Industrial and Commercial Undertakings, (CICU), Punjab

Reducing Pollution of River Waters by Controlling Discharge of Industrial Effluents

Brief Profile of the Industry

Ludhiana is the heart of industrial development in Punjab. It has a strong cotton and woolen spinning sector and home for thousands of MSMEs making cotton and woolen knitwear, maintaining the top position in woolen knitwear for decades. Ludhiana is also a major producer of cycles and cycle parts, diesel engines and other engineering products like fasteners, machine tools and general machinery, hand tools, auto parts, knitting and sewing machines and food products.

BMO Background

CICU was promoted in 1968 and registered as a Society in 1972. It has more than 1000 members drawn from industry and trade. Besides routine activities like organizing seminars and workshops and doing effective advocacy as a leading BMO in the state, it has also been organizing mega job fairs, buyer-seller meets, participation in trade fairs abroad, B2B meets etc.It has also created Young Business Leaders Forum (YBLF) to inspire and motivate youngsters to become entrepreneurs through a number of Enterpreneurship Development Programmes (EDP), mentoring and plant visits and linkages with large scale enterprises to promote ancillary enterprises.

Developing Responsible Business Activity

Over the years, the Buddha Nallah canal passing through Ludhiana, has been highly polluted due to both municipal as well as industrial waste entering it from various places. The drain on entering Sutlej river about 20 kms from Ludhiana pollutes it first and then Beas river also at the confluence of both rivers at Hari-ke-Pattan. Thus, heavily polluted water is carried forward for agriculture and drinking purposes in the downstream areas of Punjab and Rajasthan. This is causing serious diseases in the nearby villages and 60% of population of villages got effected in the region.

CICU was seriously concerned about the environmental degradation caused by industrial and domestic pollution and decided to make concerted efforts to check discharge of industrial effluents into Budda Nallah.

Implementation and Sustainability

CICU formed a 'Green Committee' with a mandate to take all possible measures to contain pollution of Buddha Nallah. The members of the Committee consisted of industry and trade leaders, public and environmental specialists who met every Saturday to monitor and guide the initiatives launched for protecting Buddha Nallah from pollution. The steps taken were:

- A video presentation was prepared depicting the disastrous consequences of polluting Buddha Nallah by

Ludhiana to people in the downstream of Sutlej and Beas rivers.

- The video was presented to many industrial and commercial undertakings and organizations as well as public in Ludhiana and surrounding areas to awaken the conscience of those who were responsible for the pollution.
- Seminars are being held since Oct 2012 on regular intervals of one to one and a half months to create awareness in industries about ill effects of this problem.
- 3 training sessions have been held for foreman, plant operators of surface coating industries, a major polluter of heavy metals.

Beneficiaries and Benefits

Seminar on reducing polution

Seminar on reducing polution

As a result of this vigorous campaign by the Green Committee, most of the industries are now sending the effluents to the CETPs and hence there has been an appreciable reduction in the flow of effluents into the Nallah. 10 plants have been taken up for making them as model units. It is estimated that industrial waste water being sent to CETP has increased from 2,00,000 liters per day to 4,00,000 liters per day. The Go Green Committee meets every Saturday. The real beneficiaries are the agriculturists and common people in the downstream areas of Sutlej and Beas rivers.

Shri. K. Sudhir Reddy
President

Cherlapally Industries Association (CIA), Telengana

Taking Care of Workers' Health

Brief Profile of the Industry

Cherlapally industrial area in Shamsabad zone of Ranga Reddy district of Telengana and is spread over an area of about 1000 acres. It comprises of more than 900 large, medium and small scale enterprises employing more than 30000 people and manufacturing products in the areas of engineering, plastics, machinery, agriculture, borewell equipment, forgings, electronics, electrical, packing material, pharmaceuticals etc. The cherlapally industrial area has a modern street lighting system, drinking water supply, wide roads, sign boards, green areas, lined trees adjoining the main roads with an efficient garbage removal and disposal system.

BMO Background

The Cherlapally Industries Association (CIA) got registered in 1990's is registered under the Societies Act. CIA has 830 members. From the beginning the CIA has been bestowing equal attention for industrial development and community services. It has conducted a series of health camps to workers, general public in the neighbourhood, school students and children. Doctors from the Corporate hospitals in the area were doing medical checkup and consultation in these camps. Around 10,000 people have so far been benefitted. CIA has also been organizing blood donation camps. CIA is also taking care of the greenery and beautification of roadside and non-industrial spaces in the industrial area.

Genesis of Responsible Business Activity

The nearest ESI (Employee's State Insurance) Dispensary for rendering treatment to Cherlapally industrial workers and their families was earlier located at Kapra town near Anupuram- about 6 to 8 kilometers away from the industrial area. Workmen were unable to avail treatment from the dispensary due to its location away from the work place. Even in cases of emergencies, the employers used to rush the workmen to nearby Private hospitals for treatment. To mitigate this problem, Cherlapally industries association took up the matter with ESI Directorate both in Hyderabad and head quarters in New Delhi. Representations were also made

A worker consulting the doctor

Ambulance and Dispensary

to Labour Ministry, both at Central and State Level to locate a new ESI Dispensary in Cherlapally industrial area. After protracted correspondence, and close follow-up with all the concerned ESI Directorate, officials visited the industrial area, held discussions with CIA and agreed to open an ESI Dispensary in industrial area to exclusively cater to the workers of Cherlapally industrial units subject to the condition that necessary infrastructure like buildings, power, water etc. were provided by CIA.

Implementation and Sustainability

CIA agreed to the conditions putforth by the ESI Directorate. At the request of CIA, the Cherlapally Notified Industrial Municipality, the nodal agency responsible for maintaining all infrastructural facilities created in the Industrial Area, agreed to co-finance the establishment of a well equipped ESI Dispensary. Industrial Area Authority of state government provided an existing building for the dispensary. The building is centrally located for easy access to workers from all enterprises. The furniture, electrical and equipments required were purchased and installed by CIA. The dispensary started functioning from 2013.

CIA further approached the 8 Corporate hospitals in the area and persuaded them to offer the workers from the Industrial Area atleast 25% concession in consultation, treatment, medicine and inpatient charges. They were generous to agree to the request of CIA and implement it sincerely.

Beneficiaries and Benefits

On an average about 500 workers and their family members visit the dispensary for treatment and medicine that are provided under the ESI scheme free of cost. Since the total responsibility to run the dispensary is with the ESI Directorate, continuity of medical services is not an issue. Cherlapally notified industrial municipality and CIA jointly funded the project that cost Rs.25 lakhs.

Shri. E. K. Ponnuswamy
President

Coimbatore District Small Scale Industries Association (CODISSIA), Tamil Nadu

Inspiring Youth to Become Entrepreneurs

Brief Profile of the Industry

Coimbatore is the second industrial hub of Tamil Nadu after Chennai. There are more than 75,000[1] small, medium and large sale industries in Coimbatore district. Coimbatore has a large and diversified manufacturing sector. Traditionally it is famous for textile and motors and pump sets industry. It is the oldest and biggest textile spinning hub in the south. Even today, inspite of development of motors and pump sets production and exports elsewhere Coimbatore is the leader. The district has lately emerged as a leader in the manufacturing and export of wet grinders, garments, electronic products, jewellery, castings and auto components.

BMO Background

Coimbatore District Small Scale Industries Association, 'CODISSIA' has over 1000 members and registered as a society under the Tamil Nadu Societies Registration Act. Ever since its inception the association has been very active. It has done a lot of work for the development of entrepreneurship, growth and development of new and existing enterprises. It has also created and managing a huge Trade fair centre and planning to establish two industrial parks.

Genesis of Responsible Business Activity

Promoting entrepreneurship and enterprises by skilling unemployed youngsters from all streams to become entrepreneurs has been a major objective of CODISSIA. It realized that training should be continuous and done in stages with hand holding support to ensure that the activity resulted in creation of new enterprises and employment. It decided that training should be done in four stages so that at the end of the programme, the budding entrepreneurs are fully conversant with the formalities for starting enterprises, assistance available

Mentoring of entrepreneurs by faculty

One of the 26 schemes awareness programmes conducted

1. http://tamilnadugim.com

under government schemes, raising finance, quality requirements and compliance, marketing and institutional support. To serve this objective an Entrepreneurship Development Cell (EDC) headed by one of the honorary Joint Secretaries was created in CODISSIA as early as 1988. Unemployed youngsters aspiring to become entrepreneurs are invited through newspaper advertisements, colleges and other sources to attend the initiation meeting held every Friday afternoon at CODISSIA office. Successful entrepreneurs share their experience and interact with the participants. Interested youngsters thereafter go through a four stage intensive training program.

Implementation and Sustainability

Between 2012 and 2015, CODISSIA conducted 26 such programmes. Expert advice on suitable technology and sourcing of technology is also given. Visit to trade fairs in India and abroad is also arranged for interested trainees availing assistance under market development schemes. Importance of responsible business practices and the need to follow the NVGs in business are also emphasized during the third stage training. The programme has been funded by contributions from CODISSIA, sponsorship and fees. From April 2012 to March 2015, the total cost of the programmes conducted worked out to Rs.27.27 lakhs. CODISSIA contributed Rs.14.66 lakhs and the balance Rs.13.66 lakhs was covered from fees and sponsorship.

Beneficiaries and Benefits

During the period April, 2012 to March, 2015, CODISSIA has conducted 26 training programmes. In all, 1060 participants have been benefitted. As a result of the entrepreneurship trainings and hand holding services provided by EDC coupled with general awareness programmes on all aspects of industrial growth and development conducted by CODISSIA, 1060 new enterprises have been established in Coimbatore district during the above period. This has been confirmed by the feedback data collected by CODISSIA from the participants of the programme.

Shri. Sukumar Ghosh
President

Cottage and Small Scale Industries Association (CSSIA), West Bengal

Caring for Health of Workers in MSMEs

Brief Profile of the Industry

There are a number of prominent clusters in the areas of agarbatti, surgical instruments, jewellery, textiles, rubber etc. cumulatively accommodating thousands of MSMEs and providing employment opportunities for large number of workers. The district is also home to a number of large scale enterprises.

BMO Background

Cottage & Small Scale Industries Association, South 24 Parganas (CSSIA) is registered as a society and has a membership strength of over 500. CSSIA has been active in the promotion of tiny & small-scale units of diversified interests i.e. engineering, ceramics, food processing, surgical instruments & others. Entrepreneurship Development Programmes and Skill Development Programmes are conducted regularly. CSSIA has also been organizing 'Shilpa O Swanirvarata Mela' that encourages the tiny & micro industries of the district.

Genesis of Responsible Business Activity

Due to the strong industrial presence in the district coupled with flourishing agricultural activities there has always been a shortage of work force for MSMEs. As all the members of CSSIA were in MSME sector and most of them were tiny in nature, the units could not render any medical assistance to their workers to take care of their health. Consequently, quite a number of units were suffering from shortage of work force due to absenteeism of workers. Another area of concern was availability of skilled work force. Members suggested the establishment of an apprentice school for regular supply of skilled work force. While this long term solution was under consideration CSSIA decided in 2012 to give priority for medical support to reduce sickness of workers and consequent absenteeism.

Doctor examining a patient and other patients waiting

Implementation and Sustainability

As most of the workers of the member units were from economically weaker section of the society it was necessary to extend subsidized health care services to the workers. Keeping in mind the low cost of the homeopath medicine CSSIA opened a Homeopathy clinic in the premises of its office. It was also decided that a mass campaign will be done about the clinic and the services would be also open for the workers from the non member units of the locality. Dr.S.S.Bhowmick, Homeopath consultant agreed to offer his services once in a week in CSSIA office for the treatment of the workers and employees of member and non member units. Every Saturday the clinic is open from 4 pm till all the waiting patients are treated. Consultation, medicines and treatment were subsidized from the funds of CSSIA. The programme started in the month of April, 2012 and is still continuing with great success. The member units also took an active role in making the programme a grand success. CSSIA has resolved to continue this service and even extend to allopathic treatment. Since the clinic is located in the office building owned by CSSIA there was no capital expenditure or rent. The benefit to the workers has been roughly quantified as Rs.3 lakhs so far which was borne by CSSIA.

Beneficiaries and Benefits

The immediate beneficiaries are the workers of MSMEs. On an average, 20 people get their treatment per week. So far more than 3000 people have got treatment from the clinic. Obviously, the members have also been benefitted as absenteeism would have surely come down in the enterprises. Dr.S.S.Bhowmick normally charges Rs.150/- per patient along with medicine. But in the clinic he charges Rs.20/- only per patient without medicine. So it is estimated that the benefit availed by each patient is Rs.100/-

Shri.Vikram Joshi
Managing Director

Jaipur Integrated Texcraft Park (P) Ltd (JITPL), Rajasthan

Textile Park and CETP for Eco-friendly Hand Block Printed Textiles

Brief Profile of the Industry

The Hand Block Printed Textiles (HBPT) cluster of Jaipur has a 500-year-old history of printing naturally dyed hand-printed textiles. The 'Chhipa' community of Jaipur has gracefully carried forward this traditional art form, over successive generations and are earning their livelihood from this profession. But technological changes and pollution created by dyeing process had put pressure on the cluster enterprises. Seven exporting units (later increased to 15) from the HBPT cluster of Jaipur had promoted the Consortium of Textile Exporters (CoTex) in 1998 with the objective of providing sustainable global market linkages to the clusters.

BMO Background

The members of CoTex at one point of time felt that they should have an exclusive dyeing and printing facility to produce value added eco-friendly block printed textiles for export to sophisticated western markets. They promoted the SPV, Jaipur integrated texcraft park private limited under the Companies act in 2010. The SPV has 20 members.

Genesis of Responsible Business Activity

The goal of JITPL was to establish a textile park to accommodate processing and production facilities with good infrastructure and a modern CETP for treatment of effluent generated by units to achieve zero pollution

CETP at JITPPL

Water conservation at JITPPL

and also use recycled water. JITPL prepared a detailed project report and approached the Ministry of Textiles, Govt. of India for grant under the Scheme for Integrated Textile Parks. The project was approved by the Ministry at a total cost of Rs.65.57 crores out of which CETP cost alone was Rs.14 crores.

Implementation and Sustainability

The SPV acquired 23.42 acres of land in RIICO Industrial Area which is about 35 kms. from Jaipur. The foundation stone was laid in October 2010. The Park was developed 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 constructed. Provision was also made for parks, green area and planting trees and growing plants in roadside and vacant space. All works were completed and the project was inaugurated in July 2013.

Operation of CETP was given on contract to third party. They appointed team of twelve people like ETP manager, operator, fitter, helper etc. to look into the everyday operations. However, the operation and maintenance is closely monitored by the Secretariat and office bearers of CETP. The operating and maintenance expenses are shared by members on the basis of quantity effluent discharged by individual members to CETP. Even though the project cost approved by the Ministry was Rs.65.57 crores (including CETP), due to cost over run the cost of completion was Rs.69.58 crores. Members contributed Rs.8.57 crores and government grant was Rs.26.22 crores. Bank loan was also taken.

Beneficiaries and Benefits

The Park directly benefitted 20 members who promoted it. These members are able to produce eco-friendly block printed textiles for which there is huge market in western countries. These members have been able to make attractive profits through exports. More than a thousand micro and small scale enterprises that undertake job work from the 20 members and thousands of workers employed in the member units and suppliers in the value chain have also been greatly benefitted. Above all, it has given block printing units a security of continuity.

Shri. M. L. Prasad
Chairman

Janbazar Leather Artisans Cluster Industrial Co-operative Society Ltd (JLACICSL), West Bengal

Real Life Stories changed Liquor Addiction among Leather Artisans

Brief Profile of the Industry

There are more than 1500 artisans/ shoemakers based in the Janbazar Leather Shoes cluster engaged in the traditional craft of shoe-making. They are originally from different districts of Bihar, Jharkhand, and West Bengal. Many are also seasonal agricultural workers, leaving their villages to work as farmhands. The cluster produces pure leather and synthetic leather shoes that are manually made by the artisans using machines for cutting, sewing, and stitching. By an average 3000 to 3500 pairs of shoes are produced every day in this cluster. The shoes are unbranded and are popular in the market by word of mouth and by the 'Janbazar' identity.[1]

BMO Background

Though the cluster is in existence for a long time, the artisans, most of them belonging to scheduled castes, never thought of forming into an association due to the low level of literacy, lack of awareness and lack of leadership. It is only after interventions by cluster development organizations that the micro enterprises have come together and prompted the JLACICSL. In 2013 under the Industrial Co-operatives Act. JLACICSL has 46 members. With the support of cluster development organizations, JLACICSL has been organizing skill upgradation training, health camps, design clinics, participation in industrial trade fairs, buyer-seller meets etc. It is also planning to establish a common facility centre.

Genesis of Responsible Business Activity

The enterprises faced several challenges including high dependence on money lenders at high rates of interest, poor earnings, low and delayed wages etc., leading to a lot of sufferings. Many of them had also cultivated drinking habits resulting in extreme suffering of their families. This peaked in 2010, and micro

Some scenes from "Nesha-i-Mar Dale" (Liquor Kills)

1. Need Assessment Survey Design Clinic, MSME 2012
www.designclinicmsme.org

enterprises suffered heavy loss of production, threatening the survival of the enterprises. JLACICSL realized that it was high time that some serious action was needed before the situation went out of control.

Implementation and Sustainability

The office bearers started house-to-house campaigns for 5 years since 2010 and pleaded with the artisans to desist drinking liquor and come back to work. JLACICSL further organised health camps to educate the artisans on the ill effects of drinking and formed groups for night patrolling to put some pressure on the artisans going out for drinking in the night. But the outcome was disappointing.

JLACICSL felt that evils of drinking should be propagated through a drama enacted by the members themselves for better impact. A drama was scripted depicting the misery that drinking caused to the families of drinkers. Some real stories of artisans who faced disaster in life due to addiction to liquor were woven into the drama. On the birth anniversary of Sant Ravi Das (the leader of depressed communities) i.e 5th January 2015 the drama "Nesha-i-Mar Dale" (Liquor kills) was staged for two days. Surprisingly, the outcome was positive and in the subsequent weeks and months JLACICSL could witness the gradual increase in attendance and consequently production of shoes.

Encouraged by the positive results, JLACICSL has decided to repeat the drama annually in the coming years. JLACICSL contributed Rs. 80,000 which was collected from their artisan members who had the capacity to pay donation. JLACICSL also earned by leasing stall among the stakeholders in Trade fair. The Calcutta leather workers union, a non-government organisation, donated Rs. 10,000 to JLACICSL for organizing welfare and awareness activity for the benefit of the artisans.

Beneficiaries and Benefits

The beneficiaries include the owners of the 46 units, 1300 non- members from the local community working in those enterprises and the families both the categories. It is difficult to quantify the benefits; but it will be reflected in the performances of the micro enterprises in the cluster in the coming months and years.

Need Assessment survey Design clinic, MSME 2012 www.designclinicmsme.org

Shri. Arbind Singh
National Co-ordinator

National Association of Street Vendors of India (NASVI), New Delhi

Struggle for Recognition of Street Food Vendors Providing Food to Millions

Brief Profile of the Industry

With variations found across different within regions and cultures, street food vending is found all over the world. Sold by vendors and peddlers, street food is the ready to eat food or drink sold on streets and public spaces. Vendors usually use portable booth, food cart or truck to sell the food items. The chief characteristics of street food is that street foods are reasonably priced and flavored and easily available. According to Ministry of housing and urban poverty alleviation, there are 10 million street vendors in India. One of the important aspects related to the street food is the importance and the necessity for maintaining the nutritional status to the large section of population[1].

BMO Background

NASVI is an organization working for the protection of the livelihood rights of thousands of street vendors across the country. Beginning as a network in 1998, NASVI was registered in 2003 under the Societies Act. At present NASVI has 888 organization members from 25 states.

The main objective behind establishing NASVI was to bring together the street vendor organizations in India so as to collectively struggle for macro-level changes which had become imminent to support the livelihood of around 10 million vendors. NASVI has been crusading for statutory protection of their rights for livelihood which has been recognized by the Supreme Court. It succeeded in getting The Street Vendors (Protection of livelihood and regulation of street vending) Act, 2014 passed by the Parliament.

Genesis of Responsible Business Activity

Even though central act has been passed and came into force in February 2012, NASVI has been fighting against some provisions affecting the rights of street vendors and for enacting supporting legislation by all state governments. It has been organizing protests, rallies, making representations and leading delegations to call on ministers and high officials. However, NASVI felt that mobilizing public support in a big way was

Views from Festivals held in 2014 and 2015

1.www.nasvi.org

also necessary to strengthen their cause and putforth the viewpoint of consumers to the governments. The NASVI thought of an innovative idea, namely, organizing a massive Street Food Festival in Delhi to achieve this objective.

Implementation and Sustainability

In 2009 and 2010 NASVI tested the concept amongst themselves by organising a small food display and sale at two different places. The food festival concept crystallised and was held in different locations in 2011 and 2012. The event gained popularity and attracted huge public attendance. NASVI moved on to a spacious location and organised the next event as "NASVI National Street Food Festival" in 2013, 2014 and 2015 in Jawaharlal Stadium. In last festival street vendors from 25 states participated, put up 120 stalls and offered 300 tasty and imaginative food items to the visitors. NASVI has spent Rs.40 lakhs for the 2015 festival and collected Rs.48 lakhs by way of participation fee, advertisements etc.

Seminars and interactive sessions were also organised during the festival. Training programme for street vendors on "Improving Safety, Hygiene and Nutritional Value of Foods" was also conducted for the street vendors.

The sustainability of the festival has already been established as it is a self supporting event and growing in popularity and gain public support year after year.

Beneficiaries and Benefits

Street vendors from all over the country are the beneficiaries as street vending of food as a livelihood to vendors and source of food to millions of people has been effectively portrayed to the public and policy makers. This will help NASVI is striving for a pragmatic policy framework and a conducive environment for the food vendors to provide their service to the public and earn a decent livelihood.

1 www.nasvi.org

Shri.V. Lakshminarayanasamy
President

Southern India Engineering Manufacturers' Association (SIEMA) , Tamil Nadu

Promoting Safe Drinking Water to Public and Industrial Workers

Brief Profile of the Industry

Engineering industry of Coimbatore district in Tamil Nadu, the second largest after Chennai has witnessed enormous growth and development in the last 50 years, predominantly driven by the demands for motors and spare parts from the huge textile industry and pump sets by the progressive farming community in the district. It has grown not only in numbers, currently home to more than 75,000 MSMEs, but also in stature as a highly diversified and hi-tech industry. It has an impressive product range-electric motors, pumps, submersible pumpsets, diesel engines, foot valves etc, to cater agricultural sector, centrifugal and centripetal pumps for chemicals and liquids, textile machineries, spares and parts, starters & switches, air and borewell compressor pumps, rough and precision castings, auto components, electronic products, wet grinders and parts for rockets used by Indian Space Research Organisation (ISRO). In a few sectors, namely, textile spinning and textile machinery, motors and pumps and wet grinders the district is the country leader in the domestic market as well as in exports.

SIEMA is one of the oldest and leading BMOs of Tamil Nadu. Registered as a Section 25 Company in 1952, the membership consists of predominantly engineering enterprises in Coimbatore district and few from other districts and southern states comparison more than 200 members. SIEMA has been very active in promoting tool rooms, common facility centres, testing facilities and industrial parks.

Genesis of Responsible Business Activity

A sizable portion of the population to some extent and enterprises to a large extent depend upon RO plants to purify the water received from the public system and/or mineral water packaging units for supply of safe drinking water. There are more than 1500 drinking water packaging units operating in Coimbatore. But there is no assurance that all the units will be supplying quality drinking water all the time. Hence, SIEMA

Views of Water Testing Laboratory created by SIEMA

decided to promote a testing laboratory that would test and certify the quality of drinking water samples provided by anyone for a reasonable charge.

Implementation and Sustainability

SIEMA had an interaction with Bureau of Indian Standards, the statutory agency for certifying drinking water quality and ascertained the quality standards. An expert in water testing was engaged as a consultant to identify testing equipment for the proposed testing laboratory and best quality equipments were purchased. It was decided to house the facility in Scientific and Industrial Testing and Research Centre (Si'Tarc) to undertake testing, calibration, research and engineering industrial activities in the region. SiTarc is a laboratory accredidated by National accredication board for testing and calibration laboratories (NABL). The management of water testing facility has been vested with SiTarc.

The water testing laboratory started functioning from August 2014. From the beginning, the laboratory has been able to generate revenue to meet all the expenses. Now that the laboratory is known to all those who want to do water testing is leading to increase in the reverse to, thereby ensuring sustainability. The entire funding required for capital expenditure, namely, Rs.35.75 lakhs has been mobilized by SIEMA from its members (Rs.34 lakhs) and a few non-members (Rs.1.75 lakh). This is a financially self supporting venture and hence there is no need to mobilize funds for operating expenses.

Beneficiaries and Benefits

So far about 100 members of SIEMA and more than 650 non-members from the industry, educational institutions as well as water packaging units have been making use of the services of the laboratory. This is a major step in ensuring safe drinking water to the public, industries, institutions and others.

Shri. Ravinder S. Purewal
Director

Sports Goods Foundation of India (SGFI), Punjab

Rehabilitating Child Labour through Literacy and Vocational Skills

Brief Profile of the Industry

The Indian sports goods industry is mostly concentrated in Jalandhar (Punjab), Meerut (Uttar Pradesh) and Gurgaon, (Haryana). It manufactures over 300 items. However, the major items that are exported included inflatable balls, hockey sticks and balls, cricket bats and balls, boxing equipment, fishing equipment, indoor games like carom and chess boards and different kinds of protective equipment. The major export destinations are United Kingdom, United States of America, Germany, France and Australia. The industry witnessed a phenomenal growth over the past five decades. It is highly labour intensive and provides employment to the weaker sections of the society and also employs a large number of women .

BMO Background

The Sports Goods Federation of India (SGFI) got registered in 1999 as a society under the Societies Act. It has a membership of 30 enterprises. From the beginning, SGFI has been giving equal importance for the development of sports industry as well as social causes like education, health, social security, child labour and women empowerment.

Genesis of Responsible Business Activity

Employing child labour has been an important issue for decades. Government has been taking various pro-active measures to tackle this problem. However, considering the magnitude and extent of the problem and its link to poverty and illiteracy in the industry, it requires concerted efforts from all sections of society. SGFI in the first instance launched a campaign to avoid employing child labour in the industry and secondly to rehabilitate child labour.

The Government of India launched the National Child Labour Project (NCLP) in 1998. Under the scheme, children in the age group of 5-8 years, employed in businesses are to be withdrawn from their work places

SGFI effort: Children back to school

and mainstreamed directly to formal educational system. Working children in the age group of 9-14 years are to be rehabilitated through special schools as they cannot be put in formal schools. The special schools function in the evenings only for 3 hours per day for 5 days in a week and provide non-formal/bridge educationand skilled/vocational training for 3 years. In 2000, SGFI decided to make use of this scheme to eliminate child labour. Out of the 27 schools opened in Jalandhar by the Project Societies, SGFI volunteered to take over and run 8 schools, each school accommodating 50 children.

Implementation and Sustainability

SGFI hired full time services of an experienced Principal and part time services of 30 teachers to run the 8 schools adopted. Class rooms were hired from two private schools and for the remaining 6 schools rooms were provided by the state government in government schools. The families of a child labour cannot afford to meet the expenses of his/her schooling. The families further loose some income from child labour. Hence the scheme took care of the cost of education and also provide a stipend to compensate the loss of income to the family to some extent. SGFI came forward to meet the expenses of infrastructure, namely, rent for class rooms hired from normal schools, salary of teachers, administrative expenses, expenses of one meal and stipend of Rs.150 per month per child labour.

Since SGFI is fully committed to this cause and since it has been running the schools successfully for more than 3 years there are positive signs of sustainability.

Beneficiaries and Benefits

4000 have benefited since inception from April 2012 to March 2015, 300 child labourers have been trained under this project are now well. Thus, 300 poor families have been immensely benefitted because their children have become literates, trained in vocational skills are now well equipped to get gainful employment at an appropriate time.

Shri. S. Rethinavelu
Chairman & Managing Director

Tamil Nadu Food Grains Marketing Yard, (TFGMY), Tamil Nadu

An Initiative Benefitting Farmers, Traders and Consumers of Food Grains

Brief Profile of the Industry

India is a global agricultural powerhouse. It is the world's largest producer of milk, pulses, and spices and the second largest producer of rice and wheat. At 2011-12 prices, the share of agriculture in total GDP was 18 per cent in 2013-14. No state in India is self sufficient in production of food grains and pulses and hence traders in agricultural produce play a very vital and crucial role in distributing the huge volume of agricultural products to the nooks and corners of the country.

BMO Background

The Tamil Nadu food grains merchants association started functioning in 1945 and completed 60 years of glorious service catering to the needs of the food grains trade and industry of the entire state of Tamil Nadu. Even though trading has been the main activity, the association has been thinking for a long time to create a link between growers of foodgrains (including cereals and pulses) at the one end and consumers at another end with traders forming the vital link. This thinking was crystalised in 1993 and a SPV-Tamil Nadu food grains marketing yard was promoted and registered as a company under the Companies Act. It has a membership of 305 micro enterprises.

Genesis of Responsible Business Activity

The primary goal of TFGMY was creating a vehicle for inclusive growth with the following major objectives:

- Develop backward integration with farmers
- Motivate farmers for contract farming so that their produce reach the consumers with few intermediaries
- Create link between producer, processor and consumer for a win win situation

But this remained a distant dream because of the huge investment required. The opportunity came in the form of Integrated Infrastructure Upgradation Scheme (IIUS) of Ministry of Industry, Govt. of India. The SPV took advan-

Storing of food grains

Sortexing Machine

R&D lab

Individual Godowns

tage of the scheme, prepared the detailed project report and got it approved by the government in 2004.

Implementation and Sustainability

TFGMY acquired about 30 acres of land near Madurai and constructed common warehousesand cold storage, pre-processing centre with cleaning grading and sortexing services, packaging centre, research and development laboratory, container terminal and container weighbridge. Seminar hall,agri-business ICT centre, goods display centre and auction centre are some of the special features of the yard.

The yard was inaugurated in 2009 with most of the facilities completed. A few facilities like cleaning, grading and sortexing, packing and analytical testing, cold storagewere added in the subsequent 3 years and made into a fulfledged facility in 2012. The total project cost was Rs.41.24 crores and the funding sources were: Govt. of India grant Rs.29.07 crores, SBT term loan Rs.3.99 crores and members contribution Rs.8.18 crores. The facilities and services are fully utilized thereby enabling TFGMY to run the facility successfully for more than 6 years now.

Beneficiaries and Benefits

The facility has created fresh direct employment opportunities to more than 500 persons; 36% of the workforce is women and 34% from scheduled communities. It has also created indirect employment for about 1000 persons. The facilities and services are utilized by 200 stakeholder members and 105 utility members. It is reported that about a lakh of persons-farmers, small traders, consumers and service providers would have been benefitted by this facility ever since its commencement in 2009.

Shri. T. S. Kidigannappa
President

Thengina Narina Kushal Kaigariga Sahakara Sangha, (TNKKSS) Karnataka

Coconut Husk Board as a Substitute for Wood to Save Trees

Brief Profile of the Industry

Coir Industry is one among the agro based traditional industries of the country that is predominantly located in rural areas and providing employment to more than 6.5 lakhs workers. Besides providing additional income to the coconut farmers, the industry earns valuable foreign exchange through export of value added coir products. The southern states, Tamil Nadu, Kerala, Karnataka and Andhra Pradesh account for about 91% of total production of coconuts in India. The share of Karnataka, the third largest producer after Tamil Nadu and Kerala is about 25%. Coir industry in Karnataka is one among the top agro-based industries in Karnataka.

BMO Background

Thengina Narina Kushal Kaigariga Sahakara Sangha,(TNKKSS) Tumkur is a SPV established in 1966 under the Societies Registration Act. TNKKSS has 40 members, 20 micro enterprises mainly producing coir fibre and 20 small scale industries producing coir fibre and products. TNKKSS has been responsible for motivating members in technology upgradation and product diversification for value added products.

Extensive use of wood for furniture and other purposes has resulted in alarming deforestation and environmental degradation is leading to natural disasters. TNKKSS has done a commendable work in showing the world that furniture can be made from coir board made out of coir husk, a 100% natural product.

Genesis of Responsible Business Activity

Coir industry has been manufacturing coir boards for quite some time for low value end uses like partitions, packaging etc. In 2008, Coir Board developed the technology for making furniture grade coir board and furniture making. TNKKSS was first in the country to approach Coir Board for the technology to manufacture board and furniture. TNKKSS simultaneously looked for finance for the project. It took some time to comply with the legalities for acquiring the technology and arranging finance for the project. TNKKSS constituted a dedicated team within the organization consisting of President, few members, a technical consultant to

Furniture made from Coconut Husk Board replacing wood to save trees

implement the project, The manager of TNKKSS office acting as the coordinator. SFURTI scheme of the Ministry of MSME was identified as the appropriate scheme for financial assistance for the project. TNKKSS submitted the Detailed project report under the scheme to the Ministry. The Ministry approved the project and sanctioned grant. The members contributed Rs.205.45 lakhs towards the cost of project and the balance to Rs. 278.84 lakhs was grant from Central Government.

Implementation and Sustainability

Under the supervision of the team machinery was identified, procured after fully complying with the government procedural formalities. Buildings were constructed, machinery was installed, power supply was obtained and trial production commenced in early 2012. After successful trial production commercial production started and the furniture items like modular tables, chairs, cup boards and doors were produced and marketed in April 2012. The facility is now running successfully. There are already proposals from a few other coir clusters to replicate this successful project. Ever since the project started working in 2012, it has been making reasonable profit. In the current year the project is expected to reach a turnover of Rs.80 lakhs.

Beneficiaries and Benefits

The direct beneficiaries are the 40 coir enterprises, 20 fibre extractors who received higher prices than market price for fibre supplied to TNKKSS and the 20 coir enterprises who are the shareholders of TNKKSS. The second direct beneficiaries are the 30 workers and 5 staff employed in the manufacturing facility. Coconut farmers are the indirect beneficiaries as they are getting higher prices for the husk. The most rewarding benefit is the saving of trees that would have otherwise been cut for making furniture. Even though it is not possible to exactly quantify the trees saved, TNKKSS has made a unique contribution towards protecting the enviroment.

Shri. Prasada Rao
President

Youth Club of Bejjipuram, (YCB), Andhra Pradesh

Poverty reduction through Women Empowerment in Jute Products

Brief Profile of the Industry

Srikakulam and Visakhapatnam are the two districts of Andhra Pradesh where in jute is grown in large area. The availability of jute fibre has prompted the emergence of jute spinning and weaving mills. Jute yarn and fabric are suitable raw material for making jute handicrafts for a wide range of end use, interior decoration and show case items.

BMO Background

Youth Club of Bejjipuram is located in Srikakulam district of Andhra Pradesh and was registered in 1980 under the Societies Act. It was promoted by 20 committed and educated youth, inspired by the Gandhian philosophy of rural reconstruction through non-violence and Grama swarajyam. YCB has 82 micro enterprises and 147 artisans as members. The service portfolio of YCB embraces all types of social and economic issues education, health, sanitary and health awareness, HIV, employment, micro finance, enterprise/entrepreneur development, organic agriculture etc., spread over 27 mandals of the district.

Genesis of Responsible Business Activity

Srikakulam is one of the poverty stricken districts of Andhra Pradesh driving people to migrate to urban areas in search of employment for living. The idea was to promote and generate jute based handicraft activities so that poverty can be reduced and migration to urban areas could be reduced. YCB resorted to imparting skills to the poor people to make handicrafts from locally available raw material, especially jute and support them with backward and forward linkages so that women empowerment and poverty reduction can go hand in hand. During 2009-2012, YCB implemented 'Participatory cluster development program' supported by NABARD with focus on jute products to bring the trained artisans under a common platform for efficient sourcing of raw materials, developing new designs, using new tools and common marketing.

Artisans soliciting orders in a buyer-seller meet

Jute products of artisans in an exhibition

Implementation and Sustainability

Initially, 20 rural women in Bejjipuram village were trained as 'trainers' for 3 months in making Jute Hand Made Products by experts from Kolkata. They in turn trained 16 artisan SHGs comprising 280 women artisans hailing from 14 villages. 227 prototypes were developed in the design and technical development workshops. To lessen the drudgery of artisans' new tools were developed and distributed to them. A co-operative society was also promoted to provide backward and forward linkages to the artisans. With technical support of International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Hyderabad jute waste was also converted into bio-compost and supplied to agriculturists in villages.

For marketing of products, artisans mostly depend on local market, urban based exhibitions, trade fairs and Crafts bazaars organized by Government and private sector. Participation in two All India crafts bazaars and 12 Handicraft Exhibitions in 4 states were arranged. For the last 4 consecutive years YCB has organised AKRUTHI-PRAKRUTHI melas supported by NABARD in Srikakulam. A showroom has been setup in CFSC building at Bejjipuram village with support from NABARD.

YCB has been able to attract huge funding support from central and state Governments and a number of national and international agencies. Since 2012, YCB has contributed Rs.10.00 lakhs and outsourced Rs.55.00 lakhs for all the socio-economic activities that it has accomplished in the district.

In the last few years the co-operative society has gained experience in managing the full value chain in jute handicrafts. It has also attained management skills for souring of funds from government schemes and NABARD. Consequently, the turnover of the society has been continuously increasing-an important yardstick for sustainability.

Beneficiaries and Benefits

More than 500 artisans from about 20 villages are the direct beneficiaries. Their monthly earnings have increased to around Rs.6000 per month.

MICRO, SMALL & MEDIUM ENTERPRISES
सूक्ष्म लघु एवं मध्यम उद्यम
MSME - TECHNOLOGY DEVELOPMENT CENTRE

PPDC

सत्यमेव जयते

MSME TECHNOLOGY DEVELOPMENT CENTRE, AGRA
A NATIONAL CENTRE FOR PROMOTING
FOUNDRY & FORGING INDUSTRIES IN MSME SECTOR

SERVICES OFFERED

1) **SPARE CAPACITY AVAILABLE** –
   a) Investing Casting
   b) Forge shop & Foundry Shop
2) **CONSULTANCY SERVICES** –
   a) Energy Conservation & Air Pollution Control
   b) Lean Manufacturing / Lean Practices
   c) Cluster Development
   d) Project Consultancy & Plant Modernization
3) **TRAINING & PROFESSIONAL SKILL DEVELOPMENT** –
   a) Short/ Long term Training Programmes on Foundry & Forging/ Engineering
   b) CAD/CAM training.
   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, Website: www.ppdcagra.in

Let EDI Chart Your Entrepreneurial Career

Entrepreneurship Development Institute of India (EDI)

Promoted by apex financial institutions; the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd., State Bank of India (SBI), with support from the Govt. of Gujarat & engaged in promoting entrepreneurship through education, research, training & institution building.

Winner of ADFIAP International Award for Human Capital Development

Honoured with the Dewang Mehta B-School Leadership Award (National) 2011-2012-2013-2014

Felicitated as India's Best B-School Leadership Award by ET-NOW (2013)

LANDMARKS

- 1286 students successfully completed its Post Graduate Programmes with 65% start up rate
- 12620 students trained under the Distance Learning Programme in Entrepreneurship
- 716 Corporate Executives trained under Executive Development Programme
- Help set up twelve state level exclusive ED Centres / Institutes
- Exposing students of IIMs, IITs, S & T institutes and management schools to Entrepreneurship
- Developed curriculum on Entrepreneurship for UGC
- Developed text books on Entrepreneurship in vernacular language
- Earned accolades and support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, FNSt, British Council, Ford Foundation, European Union, ASEAN Secretariat, etc.
- Nodal Agency for Govt. of India's
  - Ministry of External Affairs
  - Ministry of Food Processing
  - Ministry of Textiles
  - NSTEDB, DST
- Set up EDCs in Cambodia, Lao PDR, Myanmar & Vietnam
- Will establish such EDCs in Uzbekistan and in five African countries

CORE AREAS

- **Entrepreneurship Education & Research**
- **Micro Enterprises, Micro Finance and Sustainable Livelihood**
- **SMEs & Business Development Services**
- **Cluster Competitiveness, Growth and Technology**
- **Social Entrepreneurship & Corporate Social Responsibility**
- **Women Entrepreneurship & Gender Studies**

Entrepreneurship 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

एन एस आई सी
NSIC
ISO 9001 : 2008

National Small Industries Corporation
(A Govt. of India Enterprise)

Be a Part of NSIC Consortia and Expand Borders of Your Business

Consortia & Tender Marketing

NSIC promotes Micro & Small Enterprises (MSEs) by way of:

- **Capacity Building of MSEs by formation of consortia of the units manufacturing similar products**
- **Participation in tenders on behalf of units in a 'consortia' to secure orders in 'bulk' quantities**
- **Distribution of orders amongst units in a 'consortia' as per their capacities**
- **Facilitate the 'consortia' members in meeting their raw material requirements**
- **Facilitating 'Credit' up to 70% value of the supplies made**
- **Assist in realisation of proceeds from buyers**

National Small Industries Corporation
NSIC Bhawan, Okhla Industrial Estate, Phase-III, New Delhi-110020
Ph.: +91-11-26926275 Toll Free No. : 1800 111 955 Email: feedback@nsic.co.in Website-http://www.nsic.co.in

Foundation for MSME Clusters (FMC) is a non-government, not-for-profit registered trust, established in June 2005 with its corporate office in New Delhi and regional/project offices in Hyderabad, Phagwara, Ludhiana, Jaipur, Bangalore and Kolkata. 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 development services (BDS), common infrastructure development and innovation. FMC has provided training and policy advisory services both nationally and internationally in the area of MSME development and helped draft a number of schemes of assistance followed by training of policy makers & practitioners to then implement those schemes effectively.

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), GIZ, United Nations Development Program (UNDP), Gulf Organization for Industrial Consulting to name a few. Some of the private sector organizations include Yes Bank Limited, ACC, Reliance capital etc.

FMC has so far provided its services across 12 countries in different continents besides strong track record within India.

FMC has a strong outreach mechanism while implementation of any program in a cluster as it focuses on those activities which have replicating effect on a large number of stakeholders in the cluster. It also establishes strong linkages with the local associations which help in collective execution of the planned activities and strengthening the trust between different stakeholders of the cluster through its database of 1500 BMOs in India. It therefore helps FMC domineering strength to visualise and conceptualise MSME related challenges from multiple perspectives and suggest & execute remedial measures that are practical with as sustainable outreach.

Corporate Office

Foundation for MSME Clusters(FMC)
USO House, 2nd Floor, USO Road, Off Shaheed Jeet Singh Marg,
6, Special Institutional Area, New Delhi – 110067
Tel (off): +91-11-26602886, 40563323/24
Fax: +91-11-41688589/90
Email: info@msmefoundation.org
Website: www.fmc.org.in
www.clusterobservatory.in

Regional Offices

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

Bangalore Office
Flat no 101, #43, 6th Cross, RMV 2nd Stage,
Boopasandra, Snajay Nagar Post,
Bangalore-560094, Karnataka

Jaipur Office
F-109, B-6, Cine Star Mall,
Vidhyadhar Nagar,
Jaipur -302039, Rajasthan

Kolkata Office
96 Garia Station Road,
Kolkata- 700084, West Bengal
Ph: +91-33-68888294