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

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Department of
Science and Technology
Government of India

सहकृत सतत विकास
Responsible Indian BMOs

Promoting Responsible Business by BMOs

Issue III

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February 2017

Acknowledgement

The Award for Responsible Indian BMOs has successfully entered its 3rd year. It is our pleasure to present the 3rd Issue of select case studies citing motivating examples of responsible work done by the BMOs. The Award has sensitized nearly 1700 BMOs on various aspects of ZED and NVGs. We have also taken the initiative to promote startups through this same platform by enabling them to connect with the BMOs and hence their thousands of MSME members. This BMO Award will lay the cornerstone for a host of services that FMC will provide to the BMOs for their members. This includes linking startups to MSMEs, facilitating hotel bookings for BMOs through OYO, common purchase of raw materials through Power2SMEs etc.

We are deeply obliged to the Department of Science and Technology, Government of India for supporting the Awards Programme. We are also obliged to Shri K K Jalan, IAS, Secretary, Ministry of MSME for felicitating the winner BMOs. We are equally grateful to Shri Ramesh Abhishek, IAS, Secretary, DIPP, Ministry of Commerce and Industry for inaugurating the Award program. We are also very thankful to the sponsors Small Industries Development Bank of India (SIDBI), Reliance Commercial Finance and Power2SME whose support has been critical for the programme. We are also grateful to our magazine partner SME World, knowledge partner PPDC and technical partners Birla Institute of Management and Technology (BIMTECH) and India SME Technology Services Ltd (ISTSL). Our sincere thanks are also due to the advertisers. We are thankful to Essar Foundation for part sponsoring the research and publication.

The Jury under the Chairmanship of Shri S K Tuteja, Former Secretary, Ministry of MSME, Dr H P Kumar, Former Chairman, National Small Industries Corporation, Shri Rakesh Rewari, Director, Board of National Small Industries Corporation, Shri 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 143 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 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.

We believe that this programme will go a long way to facilitate MSMEs to recognize 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

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Abbreviations

ALIMCO	**-**	**Artificial Limbs Manufacturing Corporation of India**
B2B	**-**	**Business to Business**
BMO	**-**	**Business Membership Organization**
CETP	**-**	**Common Effluent Treatment Plant**
CFC	**-**	**Common Facility Center**
DC MSME	**-**	**Development Commissioner - Micro, Small, Medium Enterprise**
EDC	**-**	**Entrepreneurship Development Cell**
EDP	**-**	**Entrepreneurship Development Programme**
EEPC	**-**	**Engineering Export Promotion Council**
GEF	**-**	**Global Environment Facility**
ICDS	**-**	**Integrated Child Development Services**
IIUS	**-**	**Integrated Infrastructure Upgradation Scheme**
JICA	**-**	**Japan International Cooperation Agency**
KVIC	**-**	**Khadi and Village Industries Commision**
LEAP	**-**	**Lead, Educate, Apply, Prosper**
MSME	**-**	**Micro, Small and Medium Enterprise**
NABL	**-**	**National Accreditation Board for Testing and Calibration Laboratories**
NCLP	**-**	**National Child Labor Project**
NSTEDB	**-**	**National Science & Technology Entrepreneurship Development Board**
NVG	**-**	**National Voluntary Guideline**
RAKIA	**-**	**RAS AL KHAIMAH Investment Authority**

SFRUTI	**-**	**Scheme of Funds for Regeneration of Traditional Industries**
SHG	**-**	**Self Help Groups**
SPV	**-**	**Special Purpose Vehicle**
TERI	**-**	**The Energy and Resource Institute**
TUF	**-**	**Technology Upgradation Fund Scheme**
UNIDO- ICMAT	**-**	**United Nations Industrial Organization- International Centre for Advancement of Manufacturing Technology**
QCI	**-**	**Quality Council of India**
ZED	**-**	**Zero Effect Zero Defect**

CHAPTER 1

Business Membership Organizations: Forms, Status and Challenges

1.1 Backdrop

Around the world, small firms have given big boost to their economies. In India, too, around 50 million Micro, Small and Medium Enterprises (MSMEs) are estimated to account for 37 per cent of manufacturing output and 46 percent of exports of the country. Globally, MSMEs are defined with respect to various parameters like employment, turnover, investment in plant and machinery, etc. In India, MSMEs are defined with respect to investment in plant and machinery (for manufacturing) and equipment (for services).

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

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

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

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

1.2 What is a BMO?

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

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

1.3 Registration of BMOs

Legal registration of BMOs mostly happen under the following Acts:

(a) Societies Registration Act, 1860

(b) Indian Trusts Act, 1882

(c) Cooperative Societies Act, 1912

(d) Companies Act, 1956

(e) Companies Act u/s 25, currently u/s 8

(f) Companies Act u/s 32 (Producer's Company)

(g) Bombay Industrial Relations Act, 1946

(l) Any Other

1.4 Level of BMOs

Figure 1- Level of BMOs

Cluster/SPV Level

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

- Panipat Dyers Association, Haryana
- Foundry Owners Association, Rajasthan

District level

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

- Vatva Industries Association, Gujarat
- Cherlapally Industries Association, Telangana

State level

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

- A.P Corrugated Box Manufacturers Association
- Tamil Nadu Foodgrains Merchant Association

Country level

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

- All India Brick and Tile Manufacturers Federation
- Consumer Electronics and Appliances Manufacturers Association (CEAMA)

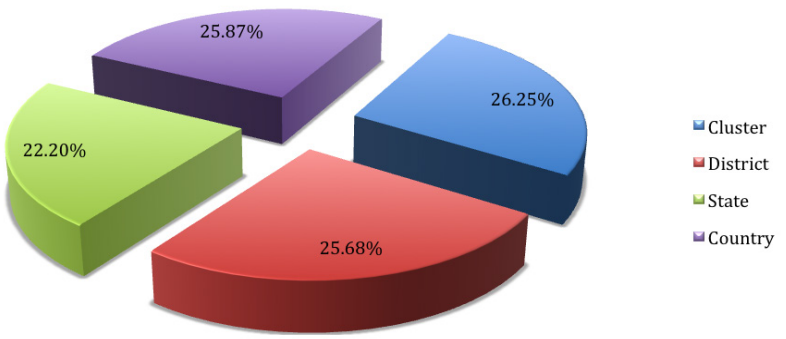
1.5 BMOs across the country

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

Figure 2- Geographical Spread of BMOs

1.6 Analysis of 1600 BMOs

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



The 1600 BMOs are almost equally distributed among the four BMO levels.

1.7 Sectoral BMOs

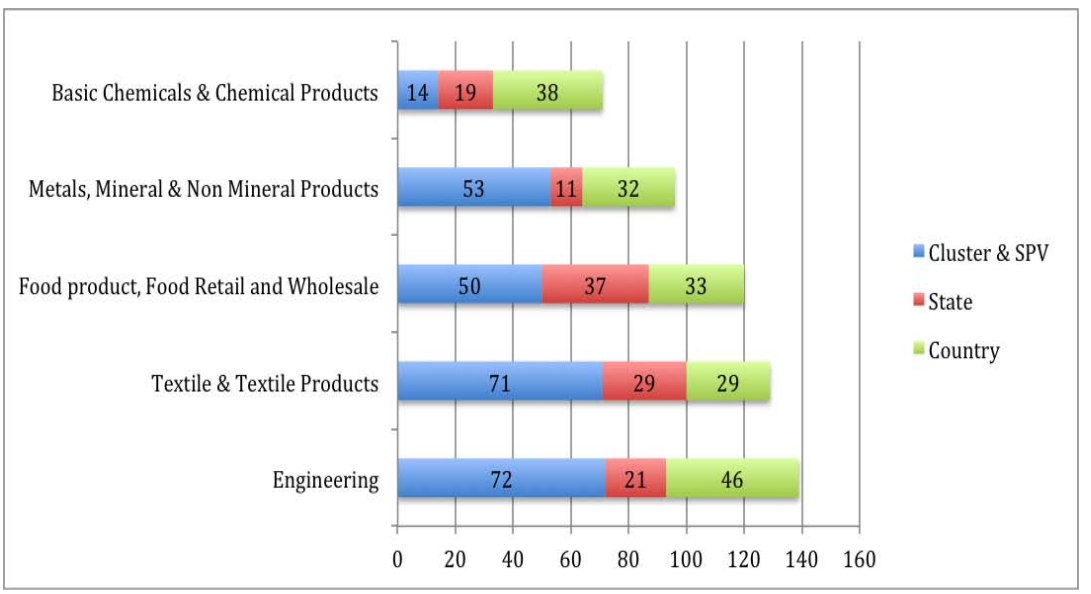
Many a time, BMOs represent a specific product. Out of the 1600 odd BMOs, for which information is available with FMC so far, around 831 are product specific BMOs. Based on a clubbed 2-digit National Industrial Classification (NIC), the 831 'product specific' BMOs can be categorised as below

Table 2- Spread of Product Specific BMOs

Sl No	Classification	Cluster & SPV	State	Country	Total
1	Food product, Food Retail and Wholesale	50	37	33	120
2	Textile & Textile Products	71	29	29	129
3	Leather and Leather Products	10	1	5	16
4	Wood and Wood Products	8	3	3	14
5	Paper and Paper Products	0	4	5	9
6	Basic Chemicals & Chemical Products	14	19	38	71
7	Rubber, Plastic, Petroleum and Coal Products	13	18	19	50
8	Metals, Mineral & Non Mineral Products	53	11	32	96

Sl No	Classification	Cluster & SPV	State	Country	Total
9	Electrical and Electronics	7	9	18	34
10	Engineering	72	21	46	139
11	Construction	14	4	7	25
12	Non-Food Retail and Wholesale	24	7	5	36
13	Travel,Tourism,Hotel & Restaurant	4	7	6	17
14	Transport and Warehousing support for transportation	4	2	8	14
15	Education & Research	2	3	15	20
16	Other services	7	3	31	41

Figure 4 –Spread of Top 5 Product Specific BMOs



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

- Majority of the sectoral BMOs are either at the cluster or country level
- Highest number of BMOs at cluster level belong to the category " Engineering" followed by "Textiles & Textile Products" and "Metals, Mineral & Non Mineral Products".
- Highest number of BMOs at state level belong to the category "Food product, Food Retail and Wholesale" followed by "Textiles & Textile Products" and "Engineering".
- Highest number of BMOs at country level belong to the category "Engineering" followed by "Basic Chemicals & Chemical Products" and "Food product, Food Retail and Wholesale".

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

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

1) **Limited vision:** This restricts BMO from having a holistic perspective about the role they can play in the growth process of their members.

2) **Lack of efficient secretariat:** While office bearers remain busy in managing their own factories/establishment, lack of a professional secretariat rules out the implementation of various planned activities, creating further disinterest among members.

3) **Lack of own office:** In the absence of own office, it becomes difficult to get good human resource and function professionally.

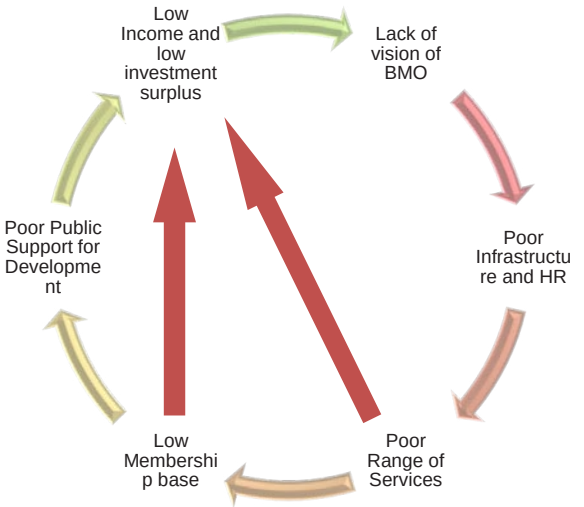
4) **Lack of support infrastructure:** Lack of computer, computer trained executives, websites and email practices severely restrict their outreach.

5) **Poor communication:** Most of the BMOs have little understanding of the importance of communication and public relations. This keeps the number of quality members low and growth stagnant.

6) **Limited sources of income:** Lack of innovation to introduce income generating services makes the BMO functionally weak to implement its action plan.

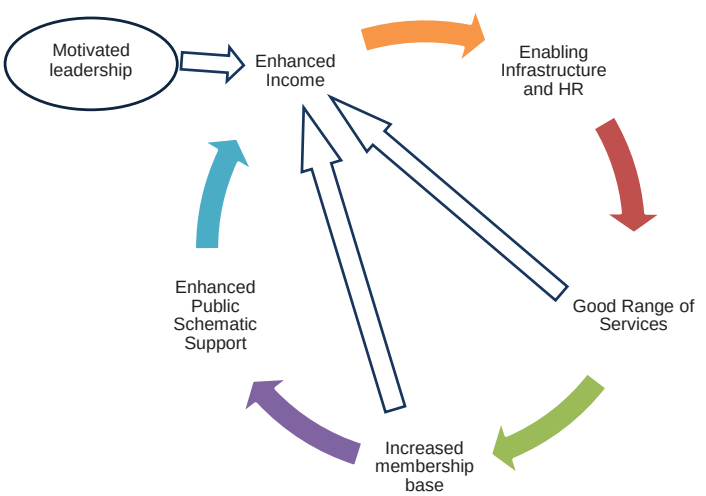
These challenges may trap BMOs in a vicious cycle of inefficient functioning, low membership base and sustainability issues. The figure below shows that in the pictorial form.

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



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

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



CHAPTER 2

Services by BMOs: Is Infrastructure a bottleneck?

2.1 Introduction

As mentioned in the previous chapter, BMOs face multiple obstacles due to lack of awareness and resources. Amidst all these challenges, some BMOs are evolving and delivering to change the status quo. This chapter deals with an analysis of infrastructure available and services provided by the 143 such BMOs who have taken initiatives and applied for the 3rd Award for Responsible BMOs, 2017.

This analysis deals in basic facilities available with BMOs, paid services offered by them to their members and the schemes they have benefited from in their operations. Along with these, the chapter also delves into the employment generation efforts done by BMOs. This analysis is for the period of April 2013 to March 2016. As the analysis is with reference to the limited number of applications; this may not be a representative sample. But this analysis may give an indication regarding the current situation of BMOs.

2.2 Basic Infrastructure Available with BMOs

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

Table 3- Percentage of BMOs Having Requisite Support Structure

No of BMOs	Registration	Office	Paid Staff	Website	Accreditation
Cluster& SPV	94%	86%	54%	29%	2%
District	97%	87%	74%	63%	4%
State	98%	79%	86%	78%	7%
Country	98%	88%	85%	90%	3%

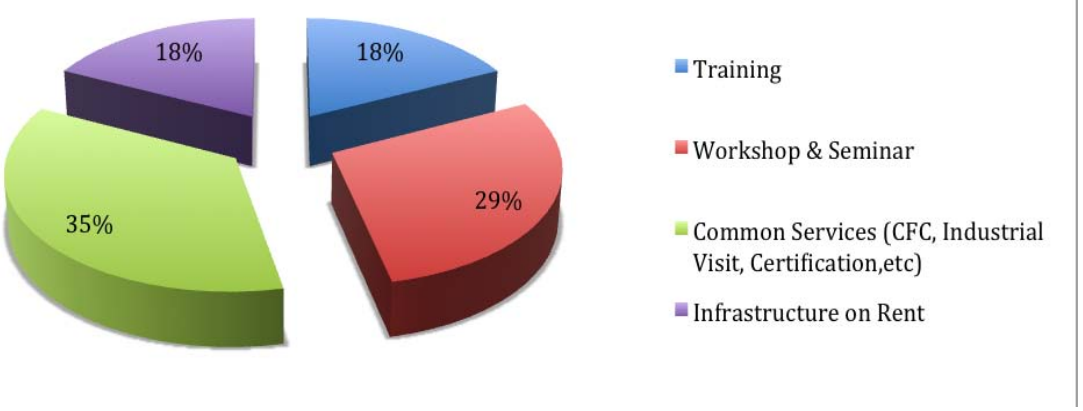
Undoubtedly the BMOs clearly understand the need for registration, 95% of them being registered. However, cluster level BMOs has scope for improvement, when it comes to availability of paid staff. Both cluster and district level BMOs also have huge scope for improvement in promotion of website and quality accreditation. **Hence policy support is warranted in the areas of qualified staff recruitment and website creation.**

2.3 Paid Services Provided by BMOs

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

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

Figure 7-Paid services provided by BMOs



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

However, 16 BMOs did not offer any paid services in 3 years. In fact, 98 BMOs gave only one paid service to its members in 3 years and only 29 BMOs offered two or more paid services to its members. **Hence policy support to route MSME promotion activities through BMOs as paid services by them, with partial support of the Government, will be a useful tool.**

2.4 Schemes Used by BMOs

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

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

	Cluster%	District %	State %	Country%
One scheme	56%	65%	73%	36%
More than One scheme	14%	15%	17%	22%
No scheme	30%	20%	10%	42%

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

	Scheme
1	Technology Up-gradation Fund Scheme by Ministry of Textiles
2	Lean Manufacturing Competitiveness Scheme of DC-MSME
3	International Cooperation (IC) Scheme of DC-MSME
4	Scheme for "Building Awareness on Intellectual Property" by DC-MSME
5	Mahatma Gandhi Bunkar Bima Yojana by DC-Handloom
6	National Vendor Development Program by DC-MSME
7	Khadi Direct Benefit Transfer Scheme by KVIC
8	Ambedkar Hastshilp Vikas Yojana by DC-Handloom
9	Market Development Assistance Scheme of DC-MSME
10	MSECDP Scheme of DC-MSME

2.5 Support from Other Organizations

Around 45 organizations provided financial support to the BMOs directly and/or indirectly. These include various multilateral and bilateral agencies as also national development organizations and corporate bodies.

Table 6- Support from Other Organizations

National	International	Corporate
Bureau of Energy Efficiency	Australian Trade Commission	ALIMCO, India
Central Silk Technological Research Institute	European Union	Bekaert Industries Pvt Ltd
Central Waqf Council, New Delhi	GEF	Doha Bank
EEPC	GIZ	LIC
Gujarat Tourism	Global Alliance for Improved Nutrition, Geneva	Netherland Foreign Investment Agency
NABARD	JICA	PWC
QCI	RAKIA	Sunflairs Green Energy LLP
SIDBI	SEQUA	Swarovski Diamond
TERI	Taiwan External Trade Development Council	Virtual Info Systems
	UNIDO	
	World Bank	

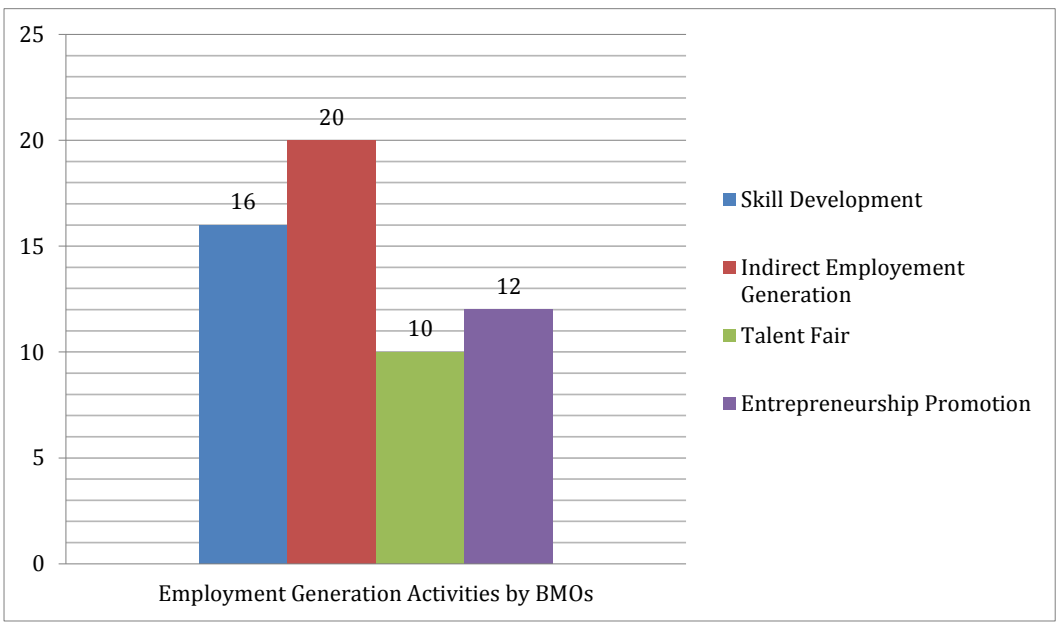
2.6 Employment Generation Activities

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

- **Skill Development** refers to activities which skills people and make them ready for employment.

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

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



CHAPTER 3

Responsible Behaviour by BMOs

3.1 Changing Business Values

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

3.2 Challenges of MSMEs

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

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

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

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

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

3.3 Role of BMOs in Promoting Responsible Business

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

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

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

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

3.4 National Voluntary Guidelines: Role of BMOs

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

The NVGs designed for individual entities can also act as indicat, for the group of enterprises through their BMOs, to identify areas in need 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 tothe 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 the expectations of the NVGs.

Table 7- NVGs and Suggestive Role of BMOs

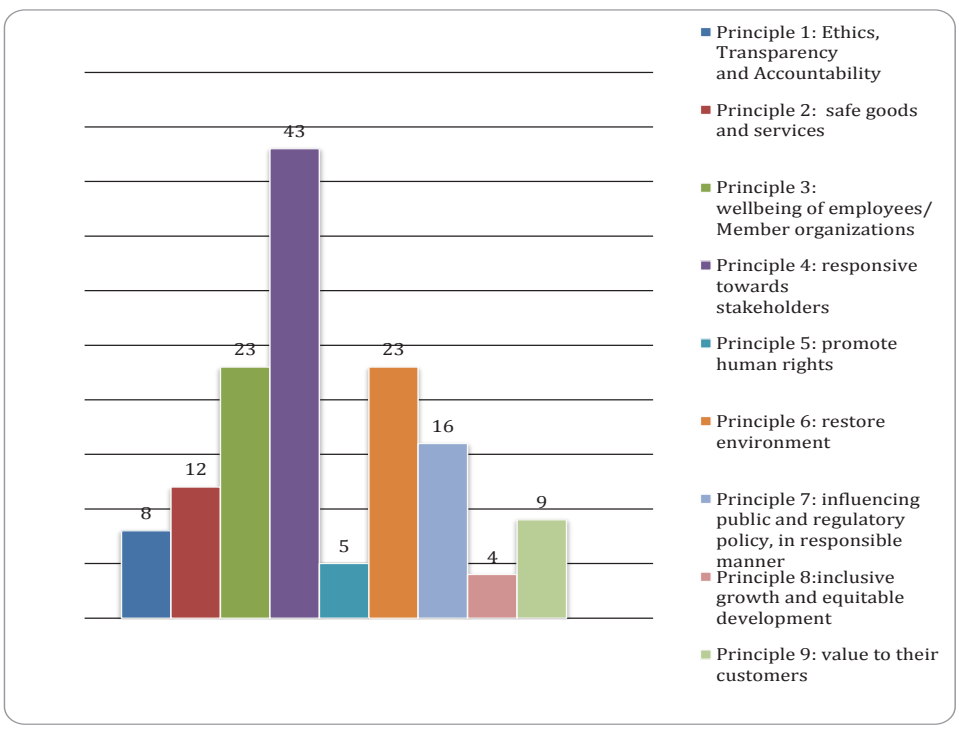
	NVGs	Suggestive Likely Role of BMOs
1	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	BMOs can help MSMEs to get registered, get bank linkages, be compliant to the law. BMOs can themselves become accredited so as to promote transparency and efficiency.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

8	Principle 8: Businesses should support inclusive growth and equitable development	BMOs can ensure appropriate resettlement and rehabilitation of displaced community through collective initiative, support growth of employment
9	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	BMOs should discourage cartelization and persuade members to provide safer products to the customers as compared to what they are producing or getting produced now

3.5 Current Roles of BMOs in Promoting NVGs

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

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



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

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

Table 8- Significant NVG Initiative

	NVGs	Some Admirable Work being done by BMOs
1	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	• BMO Accreditation • Promoting direct transfer of funds through Aadhar Card
2	Principle 2: Businesses should provide good sand services that are safe and contribute tosustainability throughout their life cycle	• Promoting usage of technologies that save energy • Promoting manufacture of durable products
3	Principle 3: Businesses should promote the wellbeing of employees	• Life Insurance for workers • Setting up quarter for labourers • Medical camp • Setting up of dispensary • Private pension plan for retired workers • Mechanisation to reduce drudgery • Improved sanitation at workplace

	NVGs	Some Admirable Work being done by BMOs
4	Principle 4: Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised	• Promoting middleman free market for village industries • Skill and Entrepreneurship development for women, unemployed and poverty intensive as well as disadvantaged section of the society • Provision of fortified food for children and expecting mothers
5	Principle 5: Businesses should respect and promote human rights	• Promoting well being of artisans • Raising awareness against abuse of human rights • Efforts to eradicate child labour
6	Principle 6: Business should respect, protect, and make efforts to restore environment	• Plantation of Trees • Recycling of Hazardous Material • Promoting energy and environment friendly technologies • Promoting Organic Farming
7	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	• Advocacy for eradicating black money • Advocacy for cleanliness of workplace and neighboring areas
8	Principle 8: Businesses should support inclusive growth and equitable development	• Promoting gender mainstreaming by promoting woman employment and Entrepreneurship. • Promoting SC/ST artisans
9	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	• Programme on safety measures in food processing industry • Promoting use of barcode

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LANDMARKS

As a Centre of Excellence in MSME Cluster Development, EDII:

- Supports state and central governments in formulating policy/scheme on Cluster Development
- Spearheads research and works as a repository of knowledge on cluster, value chain, Business Development Services (BDS) and competitiveness
- Acts as a National Resource Agency to spearhead MSME cluster development nationally & internationally
- Develops cadre of Cluster Development Executives/ Business Development Service Providers
- Established Common Facility Centres in MSME clusters
- Undertakes Capacity Building Programmes for Business Membership Organisations (BMOs)
- Acts as a Nodal Agency for DC-MSME, Ministry of MSME, DC (Handloom), Ministry of Textile, Govt. of India

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**

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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, ODISHA

Expo (Fair) Promotes the Poorest

BMO Background

Balasore Chamber of Industries and Commerce (BCIC) was established as a society in 1989 under Societies Registration Act. BCIC is affiliated to the Utkal Chamber of Commerce & Industry, Cuttack.It provides an array of services that includes advocacy, organizing seminars and workshops, trade fairs, and vendor development meets, etc.

Genesis of Responsible Business Activity

BCIC President was deeply concerned about the burgeoning poverty in the rural areas of Balasore. He understood that the poor needed a big impetus to attain self-reliance. The rural population consisted of many artisans and people working in Self Help Groups (SHGs), who were very poor because of middlemen eating into their profits. He realized that the profits of products manufactured by the SHGs and consequently their livelihood can be enhanced substantially if proper marketing channels and opportunities were created. Hence, he steered BCIC to organize a small exhibition-cum-sale for SHGs and artisans, thereby providing them a direct platform to showcase and sell their products.

Implementation and Sustainability

The first exhibition-cum-sale was organized with about 45 stalls in 1994. The event witnessed very high footfalls and was a success. In the consecutive years, the initiative took the name of "Balasore Expo" and the number of stalls increased to 120 by the year 2000. BCIC also included MSMEs in the coming years to provide them exposure and 25 MSMEs of the district participated in 2002. In the year 2013, impressed with the success of the event, the district administration decided to merge its own two fairs " Pallishree Mela" and "Balasore Mahotsav" with "Balasore Expo".

At present, 'Balasore Expo' is one of the largest fairs in Odisha. It had 581 stalls in the year 2016. The approximate cost of organizing the fair from 2013 to 2016 was Rs 6 million, the entire cost being recovered from stall rent, advertisement and other means. With support from the district and state administration, BCIC plans to organize the expo on a larger scale in future.

Beneficiaries and Benefits

The benefits from this fair have penetrated to over 10,000 weak and marginal business enterprises. SHGs and artisans got the opportunity to sell their products at better prices, pulling them out from the vicious cycle of poverty. It also benefitted innumerable MSMEs by creating forward and backward linkages. It has also successfully promoted indigenous art like khadi and dokra, giving them a competitive edge over their industrial substitutes. In 2016, the total sale crossed Rs 1500 million.

Shri Ram B. Bhandare
Chairman

BELGAUM FOUNDRY CLUSTER, KARNATAKA

Lean Techniques Enhance Sustainability

BMO Background

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

Genesis of Responsible Business Activity

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

Implementation and Sustainability

BFC was selected for LMCS in 2009. A society was formed for this under the name Belgaum Lean Cluster and thus the first group was formed in 2010. The first lean group provided several learning. Firstly, selection of appropriate consultant was a must. Secondly, training needed to be conducted in each factory, rather than doing common training for few individuals from each firm. Also group of selected members from staff need to be to do continuous improvement. Separate teams need to be formed for various activities to avoid unnecessary burdening of few. To motivate the staff, competitions and awards can also be organised. The second group was formed in 2014, It took care of all learning.

The projects were completed within a period of 12 to 18 months. 3 such clusters have already been completed and the process of creating the third cluster is now on. Approval has also been sought for creating 2 more clusters.

Beneficiaries and Benefits

22 units of BFC have so far benefitted from LMCS. It is estimated that by making an investment of Rs 2.2 million a savings of Rs 40 million has been made so far. Various training programmes conducted so far have also led to implementation of lean techniques of other units leading to an estimated saving of Rs 100 million. Implementation of 5S techniques has enhanced safety measures. Sand consumption has reduced by 500 tonnes per month and energy savings has been around 500,000 units per month.

Shri Avtar Singh
President

CHAMBER OF INDUSTRIAL AND COMMERCIAL UNDERTAKINGS, PUNJAB

Employment Promotion through Job Fair

BMO Background

Chamber of Industrial and Commercial Undertakings (CICU) was established in the year 1968. Registration of Society Act. Major service portfolio of CICU include issuance of Certificate of Origin, export promotion, information dissemination, technical and financial guidance, networking and skilling, etc.

Genesis of Responsible Business Activity

In recent years, a large section of the youth in Punjab, were migrating to other countries in search of employment. This trend can partly be attributed to asymmetry of information in the local job market; where both the employer and the job seeker lack matchmaking information. Consequently, CICU started organizing a Job Fair from 2013, where hundreds of unemployed youths, including a large proportion of girls, got a platform to connect with potential employers.

Implementation and Sustainability

The first edition of the Job Fair was organised in Jagraon, Ludhiana in February, 2013. Booths were setup for every employer and it was ensured that each booth had a representative to convey the employment details of that organization to the participating youths. The attendance was overwhelming with a large number of aspirants getting placed in various Industries.

Learning from this maiden exercise, the Job Fair was conducted in the subsequent years of 2014 and 2015, where CICU ensured a greater number of placements. The approximate cost of organising the event were Rs 1.2 miilion from 2013 to 2015, out of which CICU contributed Rs 950,000 and Rs 250,000 was sponsored by the state government and other non-government institutions. With the experience and knowledge earned, CICU is well equiped to conduct such fairs in future also.

Beneficiaries and Benefits

The fairs have benefitted over 250 MSMEs, giving them the opportunity to overcome the hurdle of asymmetric information and employ eligible candidates. More than 400 unemployed youth walked away with appointment letters in 2013, with the number increasing to 939 in 2014 and 2100 in 2015, thereby creating a positive impact on the society as a whole.

Shri Suresh G Nandyal
Secretary

GULBARGA INDUSTRIAL ESTATE MANUFACTURERS ASSOCIATION- ATPC & EDI, KARNATAKA

Promoting Women Entrepreneurship

BMO Background

Gulbarga Industrial Estate Manufacturers Association- Apparel Training and Production Centre and Entrepreneurship Development Institute (GIEMA - ATPC & EDI) is a society established under Societies Registration Act. It has been recognized as a partner institute of National Institute for MSMEs, Hyderabad. Its service portfolio includes skill development, advocacy, entrepreneurship development, facilitation, information dissemination, etc.

Genesis of Responsible Business Activity

Though women employment has been on an increasing trend, women entrepreneurs are rare in India. Gender inequality and lack of exposure, knowledge and opportunity are some of the prime reasons behind the scare sighting of a self-employed woman. To promote women entrepreneurs, GIEMA planned to organize an exposure visit of aspiring women entrepreneurs to Association of Lady Entrepreneurs of India (ALEAP), Hyderabad. The visit was done to an ALEAP run industrial estate, spread over 30 acres of land, with around 108 industrial units managed by women entrepreneurs. Purpose of the visit was to motivate and empower the women of Gulbarga.

Implementation and Sustainability

Accordingly, a 2-day visit was scheduled in March 2016. GIEMA selected 40 women entrepreneurs for the visit and a team of Government officials accompanied them. Secretary, ALEAP welcomed the participants and briefed them regarding the activities taken up by ALEAP for women empowerment and support given to first generation entrepreneurs in enhancing their skills by imparting skill development trainings like readymade garments, jute bag stitching, paper bags and paper envelops making, paper cups making etc. in their skill development training center. Clippings of successful lady entrepreneurs were also shown.Direct interaction with some of the successful women entrepreneurs were also done The team also visited the skill development centre and different manufacturing units. Around 40 per cent of the visit cost was sponsored by GIEMA.

Beneficiaries and Benefits

The impact of the visit was so profound that the women decided to establish a separate women industrial estate in their region too. With further support of Hyderabad Karnataka Chamber of Commerce and Industry (HKCCI) and District Industries Centre, Gulbarga, an SPV has also been registered under Companies Act as Kalaburagi Ladies Association Manufacturers Park (KLAMP).

Smt. Eliza Ahmed
President

GRAM VIKAS PARISHAD, ASSAM

Employment Generation through Skill Development

BMO Background

Gram Vikas Parishadwas established in 1986 as a Society under Societies Registration Act. It is based out of Rangaloo in Nagaon district of Assam. Since its inception, GVP has dedicated itself for the development of rural India and has diligently worked in various domains of human welfare. Its major service portfolio consists of education, healthcare and sanitation, gender development, disaster management programs, etc.

Genesis of Responsible Business Activity

Unemployment is a chronic economic problem. In spite of being endowed with natural resources, economy of the state still largely remains underdeveloped. GVP decided to establish Vocational Training Centers (VTCs) at different places in the district. The objective was to train the local people on various crafts and make them eligible for employment in the organized sector. Women empowerment was also one of their prime goals, which they wanted to attain through skill development.

Implementation and Sustainability

Consequently, Gram Vikas Parishad got registered as a Vocational Trainer provider under National Council of Vocational Training (NCVT) and also got affiliated to State Council of Vocational Training (SCVT) under Directorate of Employment & Craftsman Training, Assam. Over a span of time, it developed a number of VTCs in Nagaon, which were equipped with trained staff and necessary machinery. The skill courses include computer operation, programming, accounting, weaving, embroidery, cane willow and bamboo works, jute craft, etc. The BMO has not only assured placement to its trainees over the years, but has also provided marketing support to their products through participation in various buyer-seller meets.

Through its VTCs, Gram Vikas Parishad has played a crucial role in the development of its district. It also plans to establish a Co-operative society in future for the benefit of its trainees and trained candidates. Cost of these activities were approximately Rs. 80 million, more than 70% of which has been recovered through sponsorships and fees.

Beneficiaries and Benefits

More than 75 per cent of the trainees have got employed due to the skills they acquired through the VTCs. 50 per cent of them, got engaged in the organized sector. The activity has directly benefitted more than 120 people, empowering them economically. The ripple effect is far-reaching, providing equal opportunity to men and women to empower themselves, thus enabling them to walk out of the darkness they once were in.

Shri Satish Kumar Goel
President

HIMACHAL CHAMBER OF COMMERCE AND INDUSTRY, HIMACHAL PRADESH

Rojgar Mela Creates Employment

BMO Background

Himachal Chamber of Commerce and Industry is a non-government organization that got established in the year 1973 under the Companies Act. The Chamber acts as a facilitation center for all existing & upcoming industries of Sirmour, Himachal Pradesh and also acts as a platform between Industries and other Government and non-government bodies for discussing issues of common concern. The service portfolio of the Chamber includes all activities related to development and promotion of trade, commerce and industry. HCCI is a NABET- QCI certified organisation.

Genesis of Responsible Business Activity

The industries in the district of Sirmour, Himachal Pradesh were facing a shortage in supply of labour. There was a huge vacuum with more than 70 per cent of the positions being vacant. The Chamber identified the cause for such a scenario to the non-existence of a platform that connected employers with suitable candidates. Hence, the Chamber being a general body for welfare of Industry and labour, took the lead for organizing a 'Rojgar Mela' (Employment Fair). The idea was to create a sustainable platform for both employers and job seeking candidates to connect with each other. This would solve both the problems of unemployment and labour shortage in the industry.

अमर उजाला

सिरमौर

रोजगार मेले में 471 को मिली नौकरी

पांवटा में 608 आवेदकों ने करवाया था पंजीकरण ■ 25 इकाइयों ने मौके पर ही किया चयन

Implementation and Sustainability

The Rojgar Mela was organised in March 2014. Months before the event, the Chamber initiated a series of meetings with its members, Industry Departments and Labour Departments. Every details were intricately planned well before the Mela. Steps were taken to publicize the mela to all corners of the district. This included advertisements in both print media and local television channels. From the first day, the event was a success, witnessing a large footfall. Many aspiring candidates, both skilled and unskilled, walked away with appointment letters. The employers were also pleased to have been able to employ worthy candidates.

The success of the event inspired other industrial association of the state to conduct job fairs of similar nature. The total cost of conducting the Rojgar Mela was Rs 140,000 out of which the Chamber contributed Rs 100,000 and the remaining was recovered through stall charges and sponsorship.

Beneficiaries and Benefits

The Rojgar Mela benefitted a large number of MSMEs as they got the opportunity to fill the vacumm that was created due to lack of suitable workers. More than 450 skilled and unskilled candidates got employed through this platform, providing a positive impetus to both the society and the economy.

Shri Rajiv Chawla
Chairman

INTEGRATED ASSOCIATION OF MICRO SMALL & MEDIUM ENTERPRISES OF INDIA, HARYANA

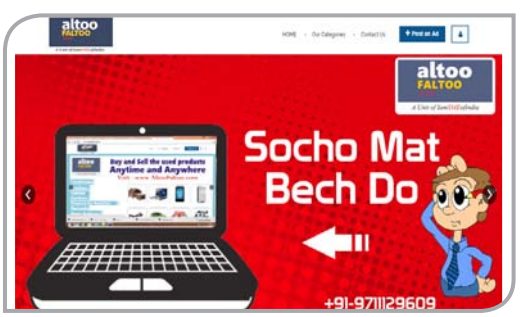
"Altoo Faltoo" Makes a Difference

BMO Background

Integrated Association of Micro Small & Medium Enterprises of India, Popularly known as, IamSMEofIndia, was incorporated under (the then) Section 25 of the Indian Companies Act. It facilitates and promotes development of small businesses across India through various developmental and business promotion services.

Genesis

In an age of fast changing technology, obsolete plant and machinery create hindrances in operation of MSMEs by limiting operational space, postponing decision by the entrepreneur to buy new machinery and technology and unsafe disposal leading to environmental hazards. The idea struck IamSMEofIndia, when a member approached them to find a genuine buyer for unused machinery lying in its factory for eight years. The leadership immediately initiated development of a commercial online portal to render this unique and innovative service of sale and purchase of unused machinery. The portal was named "AltooFaltoo" and was launched on 15th August 2015.



Implementation and sustainability

To start with the service was launched for regular members of IamSMEofIndia and the services were limited to matchmaking, coordinating and facilitating meetings. But within a span of less than a year the idea spread like wild fire. Many started selling products to next door members, which were otherwise not known to them. The portal is also giving smart solutions to day to day challenges like cheating, fraud, manipulation and higher pricing being faced by most of the MSMEs. The idea has now been picked up by non-members too. IamSMEofIndia has also started facilitating MSMEs with credit arrangements, valuation, assessment, restructuring, due-diligence, search and other related services at nominal costs on this portal. The Project is completely self-funded and IamSMEofIndia has spent around Rs 1.5 million on the project so far. The platform sustains itself by charging a commission of 5 per cent of the sales value or Rs 10,000 whichever is higher from the buyer for inspection and valuation especially from a distant buyer.

Beneficiaries and Benefits

The platform helps the buyer to get their required plant and machinery at 40 to 50 per cent lower than the market price. It has so far impacted more than 100 MSMEs. It is also helping to create start-ups to start their business based on low priced machine. MSMEs are clearing their non-performing assets by selling the unused assets. MSMEs are also able to make responsible disposal of waste and thereby positively impacting the environment. Arrangement of inspection and valuation of used capital at local level by regional BMOs is being planned to promote the movement.

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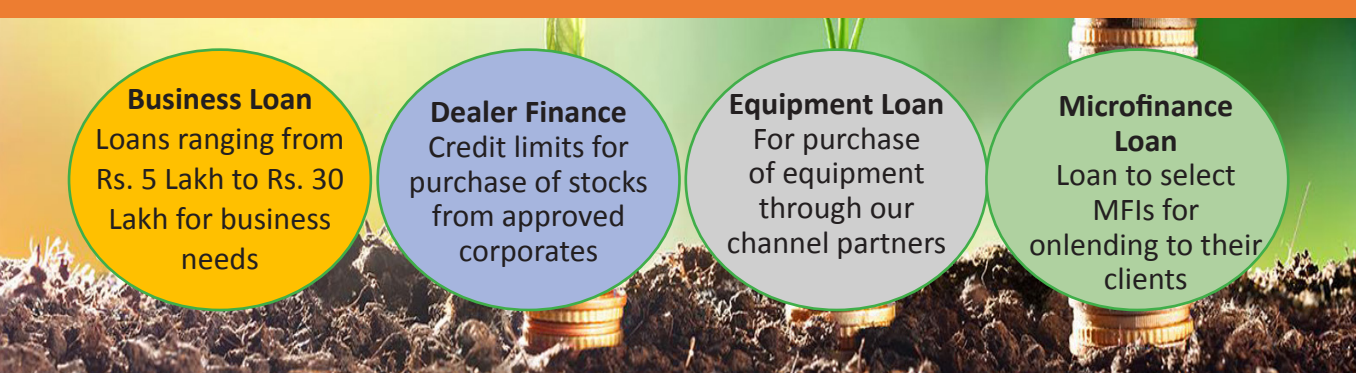

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Md Serajul Islam
Secretary

MALDA MANGO CO-OPERATIVE SOCIETY LIMITED, WEST BENGAL

Promoting Sustainable Agriculture

BMO Background

Malda Mango Co-operative Society Ltd was established in 1983 under the West Bengal Co-operative Society Act. The Society has its own brand of processed mango products known as 'Malcos'. The products include jelly, mango chutney, fruit beverages, etc, which have been immensely praised for their quality. With support from the State Government, it has also developed infrastructure like warehouse and cold-storage for the benefit of its members.

Genesis of Responsible Business Activity

The current decade witnessed a sharp rise in the use of chemical fertilizers in agriculture for better yield and profitability. Mango cultivation is no exception, where a range of chemicals is used to enhance productivity, size and taste. The practice might be reaping greater profits, but it secological and social cost is very high. As a remedial measure, Malda Mango Co-operative Society Ltd came up with the idea of producing and using vermicompost which is an organic fertilizer. Unlike the chemical ones, this fertilizer has no adverse effect on environment and health.

Implementation and Sustainability

The vermicompost plant was setup in Old Malda, West Bengal in April 2013 with technical guidance from Kalyani University. Wastes from its food processing unit, together with vegetable remnants, water hyacinths, cow dung and worms were used as raw material for vermicompost production. Both members and non-members were supplied with this organic fertilizer, consequently reducing the use of harmful chemicals in mango farming.

The fertilizer was widely accepted as it was both effective and cost-efficient. The project cost was approximately Rs 450,000, which was financed by the Co-operative Society itself. It has already recovered 75 per cent of the total cost by selling the fertilizer.

Beneficiaries and Benefits

The project has directly benefitted over 150 units, allowing them to subsitute harmful chemical fertilizers with low-cost, safe, and environment friendly vermicompost. It has employed over 50 persons and thus the social benefit of the project is beyond its targetted gain. It has successfully averted many possible health hazards and prevented environmental degradation, thereby setting an example for others to follow.

Smt K Saraswathi
Secretary General

MADRAS CHAMBER OF COMMERCE AND INDUSTRY, TAMIL NADU

Sustainable Chennai Forum

BMO Background

The Madras Chamber of Commerce and Industry (MCCI) was established in the year 1836 as a Society. It is an industry-led and industry-managed organisation whose main purpose is to influence government policy on economy, trade, commerce and industry. Its major service portfolios include information dissemination, networking, liasioning and lobbying, trade facilitation, skilling, etc. It also works for promoting education, health, infrastructure and environment.

Genesis of Responsible Business Activity

In order to make business more responsible, MCCI felt that there is a urgent need to create a business case for responsibility to make a win-win situation for business and society. Hence MCCI launched a special initiative called "Sustainable Chennai Forum (SCF)" on 9th November 2011 to educate, assist and promote a business case for managing energy, water, waste, transport, urban greening, etc. and evolve a congenial policy and action oriented environment. SCF provides capacity building workshop, trainings, exposure, demonstration to the industry on sustainable technologies and processes and also share good practices with them.

Implementation and Sustainability

Accordingly SCF has organised Seminar/Conferences/Workshop on "Creating Carbon Neutral Chennai", "Changing Cities – Building Opportunities", "Sustainable Practices in Industrial Management", "Inclusive Urban Prosperity", "Implementation of Tamil Nadu Energy Conservation Building Code", "Green Freight", "Cleantech Solutions", "Disaster Management", etc. MCCI is a regular partner for the "Water Expo" held every year in Chennai. It also organises food for thought programmes like "How Smart can a City be?", "Is Climate Change a Hype or Reality?" etc. It has also launched the Project "Energy Conservation through Industrial Empowerment (ENERGIE)". MCCI has also completed first phase of green practice audit in few units. It also set up Back2Business help desk to members who were affected by the devastating Chennai flood in December 2015.

It has so far managed most of its activities thorough self funding. It also has a long run plan of conducting green practice audit for vendors of its members, creating a "Chennai Urban Observatory" and "Mapping of Green Practices".

Beneficiaries and Benefits

SCF has so far benefitted around 450 members and non-members by providing them practical insights into sustainability practices. It has also created trust among the various stakeholders. Moreover the policy makers were made to see the value of collaboration as MCCI becomes a nodal point in communicating the aspirations of the business and also getting the buy in of the private players towards the development agenda of the state.

Shri Nagraj Gandhi
Secretary

NANDI KHADI GRAMODYOGA SANGHA, KARNATAKA

Creating Quarters for Welfare of Labourers

BMO Background

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

Genesis of Responsible Business Activity

The Society has one of its production centres in the remote areas of Sidlaghatta, Karnataka. The marginal workers like weavers and spinners face much trouble getting an accommodation nearby the production centre, because it is either not available or too expensive. Consequently, many workers opted to quit their jobs. The Society planned to construct quarters for the skilled and

semi-skilled workers, mainly for those who came from Andhra Pradesh. Major objective of the project was to contribute to the welfare of the marginal workers by accommodating them without charging any rent. This also addressed the issues of production loss.

Implementation and Sustainability

Construction of ten workers' quarters was planned and started in the year 1993. The work was completed in the year 1995. This was the first phase of the project. The project got sluggish in between due to non-availability of fund. With the turnover of the production centre reaching new heights in the year 2013, the second phase of the project started. Seven additional quarters were constructed and it was inaugurated by the CEO, KVIC in the year 2016. The Society has also submitted a proposal to KVIC for construction of living-cum-working sheds for 50 SC/ST worker families, which is at an approval stage.

Total cost of the project is Rs 1.5 million which was borne by the Society. The electricity and water in the quarters are completely subsidized using the surplus funds from the production centre. The project stood out as an example in Karnataka as no other association in the state has claimed to construct and provide quarters for free to the marginal workers.

Beneficiaries and Benefits

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

Shri Ashok Kumar Goyal
President

NATIONAL CHAMBER OF INDUSTRIES AND COMMERCE, UTTAR PRADESH

A Cell to Promote Solar and Non-Conventional Energy

BMO Background

National Chamber of Industries and Commerce (NCIC), UP was established as a Society in 1949 under the Societies Registration Act. NCIC, in line with its dynamic and responsive nature, helps the industry to keep pace with the parameters like products, market opportunities, partners, competitors, finance for growth etc. Its key services include representation in Government bodies and agencies, liasioning and lobbying, networking, trade and commerce facilitation, issuing certificates of origin, etc. It also works for promoting weaker sections of the society, sustainable production and clean energy.

Genesis of Responsible Business Activity

The Hon'ble Supreme Court of India delivered a ruling on December 30, 1996 regarding industries around the Taj Mahal, in response to a public interest litigation seeking to protect the monument from environmental pollution. The protected region was defined as the Taj Trapezium Zone and use of coal/coke was banned in that area. Hence, there was an urgent need to implement an

alterative fuel that had a low carbon footprint. Responding to the situation, NCIC, together with the Ministry of New and Renewable Energy, thought of conducting a workshop on integrating solar technology in boilers for food processing and other industries. The sole motto of the workshop was to disseminate among various industries, the benefits of using solar technology in order to facilitate adoption of the same.

Implementation and Sustainability

Accordingly it organised Seminar on "Concentrating Solar Technologies for Process Heat Applications in Food Processing Industries". NCIC has a dedicated cell for Solar and Non-conventional energy which worked tirelessly for 3 months to organize the seminar. Knowledge on different solar technologies like scheffler, parabloid and parabolic trough contrators was imparted during the seminar. Not only food processing industries, but other MSMEs that can implement the technology participated in the seminar.

The total cost of the seminar was shared equally by NCIC and Ministry of New and Renewable Energy, Government of India. The event was an effectual one with a large participation rate from diverse industries. Equipped with the experience, NCIC is planning to organise similar events in future as well.

Beneficiaries and Benefits

The seminar has benefitted an estimated 1500 members and non-members directly and indirectly by providing them practical insight into solar technologies. It has successfully sown the seed of utilizing clean and sustainable solar energy and hence prepared the grounds for a better and pollution free future.

Shri Arbind Singh
National Co-ordinator

NIDAN, BIHAR

'Wheatmix': Fortified Food Attacks Malnutrition

BMO Background

Nidan was registered as a society in the year 1996 under the Societies Registration Act. It focuses on facilitating empowerment of the poor and marginalized sectors through community services and pro-poor participatory interventions. Nidan has been intensively working with people employed in unorganized sector in the states of Bihar, Rajasthan, Delhi, Jharkhand. Its service portfolio include promotion of education, abolishment of child labour, women empowerment, nutrition, re-establishment of displaced community, etc.

Genesis of Responsible Business Activity

In Bihar, Nidan came out with a strategy to address the dual problem of (a) malnutrition, due to micronutrient deficiency, and (b) limited rural livelihood opportunity. Nidan formulated a plan, with support from Global Alliance of Improved Nutrition (GAIN) and Bihar Rural Livelihoods Promotion Society (BRLPS), to provide improved Nutrition to children from 6 month to 36 months and lactating and expecting mothers through fortified food and economic empowerment

to women through direct livelihood approach and reforming the Integrated Child Development Services (ICDS) system. To achieve its goal, Nidan resolved to produce fortified blended food by women and distribute it to the AnganWadi Centers (AWCs) through the ICDS Department.

Implementation and Sustainability

A project began with a tripartite agreement between Nidan, GAIN and BRLPS in September 2013. Within a few months, a land was taken on lease and construction work began. Meanwhile, several recipes were formulated with the help of Indian Agriculture Research Institute and the final product was laboratory tested for quality. The fortified food was registered under the name Wheatamix and a Memorandum of Understanding was signed between Directorate of ICDS and Bihar Rural Livelihood Promotional Society for un-interpreted supply of Wheatamix to the 44 ICDS centers The construction work of the food production center completed in due time and supply of the fortified food started from November, 2015.

Through this project, Nidan has addressed the problems of malnutrition and women unemployment. The approximate cost of the project was Rs 400,000 and it has been recovered from the grants Nidan received, with respect to this project.

Beneficiaries and Benefits

More than 60 people got employed in the food production center, out of which maximum are women. The fortified food benefitted more than 28 thousand children, lactating and expecting mothers, who got free access to high value nutrition. Through this holistic approach to child and women welfare, Nidan has surely sown the seeds for a healthy and brighter future.

Shri Ravinder S Purewal
Director

SPORTS GOODS FOUNDATION OF INDIA, PUNJAB

Eradicating Child Labour

BMO Background

The Sports Goods Federation of India (SGFI) was registered in 1999 as a society under the Societies Registration Act. Right from its inception, SGFI has been giving equal importance for the development of sports industry as well as social causes like education, health, social security, eradication of child labour, women empowerment, etc. SGFI is an ISO 9001:2008 certified organization.

Genesis of Responsible Business Activity

Employing child labour has been an important issue for decades. Government has been taking various proactive 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 in 14 states including Punjab. Under the scheme, children in the age group of 5-8 years, employed in businesses are to be withdrawn from their work places and mainstreamed directly to formal educational system. Working children in the age group of 9-12 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 education and skilled / vocational training. In the year 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.

SGFI hired full time services of an experienced lady Principal and part time services of 30 teachers to run the 8 schools adopted. The families of a child labour cannot afford to meet the expenses of his/her schooling. The families further lose some income from child labour. Hence he scheme took care of the cost of education and also provides astipend 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. Out of a total estimated expenditure of Rs 26 million so far (2004 – 2016), SGFI has so far spent around Rs 4 million.

Since SGFI is fully committed to this cause and since it has been running the schools successfully for more than a decade now These are positive signs of sustainability. The Project is now running in 6 schools with 300 children,

Beneficiaries and Benefits

As of now, 300 participant and 2000 non-participant members have got benefitted. 400 families have also got benefitted from the local community as their children got educated.

Shri Jitendra Vakharia
President

SOUTH GUJARAT TEXTILES PROCESSORS ASSOCIATION, GUJARAT

Savings and Employment Generation through Usage of Pet Coke

BMO Background

South Gujarat Textile Processors Association (SGTPA) was established in 1976 under the Bombay Industrial Relations (B.I.R) Act. It addresses common concerns of the units and handles all representations on their behalf to several Ministries, government departments, semi government institutions and private companies. SGTPA is a common platform for all the textiles processing units of Surat area for promoting constructive interaction and mutually beneficial policy making. SGTPA is an ISO 9001:2008 certified organization.

Genesis of Responsible Business Activity

Initially, electricity was used as a fuel by the textile processors. Escalating prices forced the units to shift to gas based fuel, which also turned out to be cost inefficient. Hence, they opted for lignite. Lignite is a soft, brown combustible sedimentary rock formed from naturally compressed peat and is accredited for being low cost, reliable and environmentally compatible. But the units faced big challenge, due to shortage in lignite supply. Consequently, the industry was in search

of an alternative fuel. SGTPA came into the picture and took steps to implement “pet coke” as an alternative fuel in a pilot project in Surat, with support from Gujarat Pollution Control Board (GPCB). Pet coke or petroleum coke is a low-cost and reliable source of energy for industrial application.

Implementation and Sustainability

The Association, together with GPC Bdecided over a meeting in 2012 to implement pet coke as an alternative fuel in the textile processing industry. They started with a pilot project covering 6 units. A technical committee appointed by GPCB was continuously monitoring the project. They analyzed various types of data to assess the air quality and recommended suitable changes. Gradually, more units were included in the pilot project and the number grew to 97 by January2016.

The total cost of the project was more than Rs 200 Million, which was completely borne by the participating units. The project has led to cost-efficiency and after complete assessment on its impact on air quality it will be implemented on an even larger scale.

Beneficiaries and Benefits

The project has led to cost-based savings of approximatly Rs 15 Million. Being a labour intensive technology, it has generated employment for more than1500 skilled and unskilled personels. The positive effect on the environment and human health is widespread, as the air quality assesment has so far fetched satisfying results.

Shri M Prasada Rao
President

YOUTH CLUB OF BEJJIPURAM, ANDHRA PRADESH

Common Facility Service Centre for Artisans and SHGs

BMO Background

Youth Club of Bejjipuram (YCB) was established in Srikakulam district in 1980 as a society under Societies Act. YCB serves over 27 mandals of the district. YCB addresses all types of social and economic issues including health, education, employment, micro-finance, enterprise/ entrepreneur development, sustainable agriculture, etc.

Genesis of Responsible Business Activity

In order to create employment opportunities YCB resorted to imparting skills to the poor people to make handicrafts from locally available raw material, especially jute. Still, the artisans and SHGs lacked a proper Common Facility Service Centre (CFSC) and improved tools and machinery which led to drudgery. Thus, YCB took the initiative of upgrading a previously constructed workshed to a fully equipped CFSC. The objective was to provide state-of-the-art facilities for scaling up production.

Implementation and Sustainability

As a part of the Ambedkar HastshilpVikas Yojana scheme, CFSC was sanctioned by the Development Commissioner (Handicrafts) in February, 2005. Utilizing the sanction, YCB upgraded their existing artisan workshed that was built in 1999. An additional floor was constructed, making way for 3 additional rooms. Upgraded tools and machinery was also commissioned in the CFSC building. A cluster manager was also appointed for the artisans which helped them to promote their business and establish linkages.With support from NABARD, a showroom was also setup in Bejjipuram, which displayed products of jute, banana and sisal fibres.

Beneficiaries and Benefits

The CFSC allowed the artisans and SHGs to exploit the economies of scale. It created positive externalities helping the cluster to cross a turnover of Rs 3.5 million per annum during the past 3 years employing more than 2400 people. Starting from not more than Rs 500 per month, the artisans are now earning more than Rs 12000 monthly. The initiative taken by YCB was a boon for many and the impact was so widespread that they have become a household name in Srikakulam.

Enabling MSMEs, Making India

Performance and Credit Rating Scheme for Small Enterprises

एन एस आई सी
NSIC
ISO 9001 : 2008

Government Schemes

On behalf of the Ministry of Micro, Small & Medium Enterprises, NSIC is implementing "Performance & Credit Rating Scheme" for micro and small enterprises (MSEs). The rating serves as a trusted third party opinion on the unit's capabilities and credit worthiness. A good rating enhances the acceptability of the rated unit in the market and also makes it access to quicker and cheaper credit and thus helps in economizing the cost of credit. The scheme is being operated through accredited rating agencies. The fee to be paid by the MSEs for the rating, is subsidized by the Government to the extent of 75% of the rating fee up to a maximum of Rs.40,000/-.

Support Services

NSIC also offers Exclusive Schemes for SC/ST Units and Entrepreneurs

National Small Industries Corporation
(A Mini Ratna Company)
(A Govt. of India Enterprise under Ministry of Micro Small & Medium Enterprises)
Okhla Industrial Estate, New Delhi
Tel: +91-11-26926275 Toll Free: 1800 -11-1955 email: infocall@nsic.co.in
visit : www.nsic.co.in www.msmeshopping .com www.msmemart.com
www.facebook.com/nsicltd Or Contact nearest NSIC field office

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

सत्यमेव जयते

PPDC

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) Zero Defect & Zero Effect (ZED) programme
   b) Good & Service Tax (GST)
   c) Short/ Long term Training Programmes on Foundry & Forging/ Engineering
   d) CAD/CAM training.
   e) NCVT/ NSQF affiliated long term training courses.
   f) High End Management Programme such as Six Sigma, Project Management, Logistic & Supply Chain Management etc.
   g) 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.
   h) 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

FMC SERVICES

Energy & Environment

- Energy Audit
- Lean Manufacturing
- Recycling of Foundry Waste

Productivity & Competitiveness

- Market Promotion of Handicrafts
- Creation of Common Facility Centre (CFC)
- Cluster Development Program
- Common purchase of Raw Materials
- Common Hotel Bookings through BMOs
- Promotion of Products of Start-ups
- Techno Economic Viability (TEV)Studies

Policy &Research

- MSME and Cluster Development Policy
- Market Research
- Industry and Cluster Based Research

Training

- How to prepare the Detailed Project Report (DPR) for CFC
- How to Double your Profits
- Make your Association a Profit Center too
- Schemes for MSME Development
- How to Create an SPV
- Skill Development
- Cluster and Value Chain Development

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